



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **2**

to

Contract Number **071B5500146**

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CONTRACT SUMMARY				
MARKETING AND ADVERTISING SERVICES - DNR				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 15, 2015	September 14, 2016	2 - 1 Year	September 14, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2NET10 (on Contractor fee only excluding outside and media costs and NET45)				
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$240,000.00	\$1,360,000.00	\$1,600,000.00		
DESCRIPTION				
Effective November 1, 2016 this Contract is hereby increased by \$1,360,000.00 for DNR department-wide Contract Activities, and the attached Schedule A Statement of Work is hereby incorporated into the Contract. All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on October 25, 2016.				

# STATE OF MICHIGAN

Contract No. 071B5500146  
Marketing and Advertising Services

## SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

### PROJECT REQUEST

This Contract Change increases the programs covered department-wide under the Contract for Department of Natural Resources (DNR).

This Contract is also available to other State Departments.

The estimated annual budget for this Contract will be \$1,360,000.00.

Services are to begin November 1, 2016 with an expiration date coinciding with current Contract including optional renewal years.

The Contractor will manage workload and Contractor resources to ensure that DNR receives service and responsiveness.

- The DNR will have a specific account manager assigned to manage the day-to-day work and projects. The Contractor will carefully monitor each account manager's load to make sure that all of DNR's programs can be serviced appropriately.
- The Contractor employs a full-time traffic manager who will work closely with all account managers and creative staff to ensure that deadlines and deliverables are known and met. The traffic manager will also interface with all media to ensure that media deliverables and deadlines are met.
- Senior Contractor staff will be involved in DNR's work and will provide direction, guidance and quality assurance for the strategic and creative work completed on behalf of the DNR.
- The Contractor employs a full-time production manager who will play a key role in quality assurance for the production of every deliverable.
- Contractor principals will be involved and available to Contractor staff and DNR 24/7 if needed.

The Contractor will assure outstanding level of customer service by:

- Assigning distinct account managers for various programs (also see Section 3 Staffing).
- Continuing to use Contractor systems for managing work and deliverables (Contractor management system, on-the-ground traffic management, quality assurance and active production management).
- Regular check-ins with DNR to ensure that their needs are being met.

The Contractor will be committed to the DNR and its work and mission. The Contractor will work hard to ensure that the goals and objectives of each program are met or exceeded.

### BACKGROUND

The DNR is committed to the conservation, protection, management, use and enjoyment of the state's natural and cultural resources for current and future generations. The five goals of the DNR are:

- Protect natural and cultural resources.
- Ensure sustainable recreation use and enjoyment.
- Enable strong natural resource-based economies.
- Improve and build strong relationships and partnerships.
- Foster effective business practices and good governance.

The DNR is comprised of Forestry, Fisheries, Finance & Operations, Marketing & Outreach, Parks & Recreation and Wildlife Divisions. It also includes the Michigan History Center and the Office of Minerals and Gas. Each of these major arms of the DNR contain programs which promote participation in outdoor recreation and/or messages that educate about our natural and cultural resources.

### **Fishing**

- Anglers boost the state's economy, spending \$2.4 billion in trip-related expenses and equipment in 2011.
- Michigan's angler participation rated fifth in the nation — 1.1 million licensed anglers in 2011 - drawing over \$11.2 million in federal funds to fish and aquatic habitat conservation.

### **Forestry & Fire Fighting**

- Nearly 4 million acres of world-class state forest land (one of the largest dedicated acreages in the nation) provide more than 800,000 cords per year of certified wood — a resource vital to the forest products industry.
- The forest industry annually generates \$16.3 billion and employs 77,000 people in Michigan.
- The state's nationally-recognized wildfire suppression efforts have, over the last five years, saved natural resources, homes and businesses — including more than 2,100 structures.

### **Hunting & Wildlife**

- Michigan hunters boost the state's economy, spending \$2.3 billion on trip-related expenses and equipment in 2011. Wildlife-watching activities bring in \$1.2 billion in trip-related expenses and equipment annually.
- Michigan's hunter participation ranks third in the nation — 795,535 licensed hunters in 2011 — contributing nearly \$28 million in federal funds to wildlife management and wildlife habitat restoration.

### **Museums**

- More than 1.3 million people every year visit the Michigan History Museum system, (which includes the flagship Michigan History Center in Lansing, as well as 11 regional museums), the Archives of Michigan and Mackinac State Historic Parks.

### **Parks & Recreation**

- Michigan's 102 state parks and recreation areas annually welcome 22 million visitors.
- In 2012, state parks saw 1 million camp nights for the first time since 2005, a significant milestone that can be attributed in part to the success of the innovative Recreation Passport that provides access to state parks, recreation areas, trailheads and boating access sites.
- Michigan has 1,000-plus DNR-managed boat launches and more than 80 harbors that support the state's \$4 billion boating industry.

### **Public Land**

- Michigan has the greatest volume of natural gas storage capacity of any state in the nation — more than 1 trillion cubic feet — some of it on public land that can contribute to the state's energy potential.
- There have been a total of 1,977 Michigan Natural Resource Trust Fund projects in Michigan's 83 counties during the 36-year life of the Trust Fund — 1,148 for acquisitions and 829 were for development.
- The Trust Fund has pumped \$965.5 million — nearly \$1 billion — into local communities, leveraging local contributions, supporting regional economies and nurturing a better quality of life for citizens throughout Michigan

Currently the DNR has numerous vehicles that it uses to communicate with customers, Michigan residents and stakeholders.

- Email: Over one million individuals have signed up to receive email about more than 45 topics.
- Web: Over 25 million hits to our website and applications
- Social: About 150,000 followers across several platforms and accounts, with a reach of up to a million with a single post.
- Print: hunting and fishing digests, Park guides and maps, and numerous brochures that describe individual programs

[www.michigan.gov/dnr](http://www.michigan.gov/dnr)

[www.facebook.com/michigandnr](https://www.facebook.com/michigandnr)

[www.twitter.com/michigandnr](https://www.twitter.com/michigandnr)

The following are examples of DNR programs/campaigns with estimated budgets and do not represent an exclusive or exhaustive list:

- A. State parks, recreation and camping: up to \$500,000 per year
- B. Sustainable Forestry: \$500,000 per year
- C. Fire Awareness and Prevention: \$250,000 per year
- D. License Revenue outcomes \$45,000
- E. Invasive Species \$50,000
- F. Michigan History Center and Archives \$50,000

- G. Michigan Wildlife Council \$1,500,000 (separate Contact)
- H. Pure Michigan Hunt - budget unknown at this time
- I. SCORP marketing research budget unknown at this time

**REQUIREMENTS**

**1. General Requirements**

The Contractor must provide full spectrum marketing and advertising services for DNR programs and priorities as directed by the DNR Program Manager. In addition, there may be instances where the DNR needs additional writing, coordination or media services on an a la carte basis. This may or may not be part of a campaign and may or may not be forecasted. The Contractor must provide a quote for these services if requested by the DNR Program Manager.

Campaigns will be developed according to the Contractor’s standard agency process, with specific steps precisely spelled out in a detailed work plan that includes a detailed budget for each step and deliverable in the process.

- 1. Launch
- 2. Discovery and Insights
  - a. Audit
  - b. Secondary Research
  - c. Primary Research
  - d. Briefs
- 3. Strategy & Planning
  - a. Strategic Plan
  - b. Campaign Strategy
  - c. Media Plan
- 4. Implementation
  - a. Creative Concepts
  - b. Creative Development
  - c. Campaign Development
- 5. Measurement

The Contractor’s process for a la carte services is:

- 1. Intake. The Contractor’s project manager will work with DNR to completely understand the request or assignment (including deliverables, budget parameters if they exist, project timing, review and approval process, availability of or need for assets such as images, etc.) in order to develop a good estimate with no unanswered questions or surprises.
- 2. Scope of Work and Estimate. The Contractor’s project manager will work with the Contractor’s internal team to develop a scope of work, statement of deliverables, project timing and budget estimate. The estimate is delivered to DNR within the required time frame for review and approval.
- 3. Approval and Launch. The Contractor will launch the work once the estimate is approved.
- 4. Change in Scope, if necessary. If there is a change in the scope of the work as it is ongoing, the Contractor will discuss this with the DNR Program Manager and make recommendations for a course of action that are formally presented DNR Program Manager review and approval.
- 5. Deliverables. Deliverables will be presented to the DNR Program Manager for review and approval.
- 6. Invoicing. The Contractor submits bills monthly for work in progress and issues a final invoice at the conclusion of a project.

**A. Communications/Marketing:**

- 1) The Contractor must develop a comprehensive annual communications/marketing plan for developing and implementing audience-specific external communications that will largely be focused on the campaigns identified in the Background Section of this Statement of Work (SOW).

The Contractor’s steps identified in Section 1. outlines the approach for developing a comprehensive annual communications/marketing plan for DNR’s programs, including any special or additional initiatives that may become a high priority during the course of the Contract. This process would also be followed to develop a plan for a single initiative if the DNR focuses on initiatives individually.

Step 1: Launch. The Contractor will facilitate a formal launch meeting with the two core teams (DNR and Contractor). This meeting will provide the opportunity to:

- *Identify and clarify all goals and objectives for the year, including known DNR programs or initiatives slated for the upcoming year or period.*
- *Share or exchange relevant information such as background; recent survey data; user/license holder data, both incidence and survey results; recent qualitative findings (for example, focus group findings, interview findings); compliance guidelines; relevant trends or other statewide and national information; etc.*
- *Discuss timing requirements, milestones and deadlines.*
- *Discuss logistics, review and approval requirements, preferred methods of communication, etc.*

DELIVERABLES:

- *Conference report of the meeting, including all agreements made.*
- *Detailed work plan for agreed-upon projects and estimated budgets for each phase.*

Step 2: Background review and audit. The Contractor will assign a small team (Contractor's account manager, research manager, strategy director) to review all important background information, including any existing or recent campaigns or communications efforts, campaign performance reports and other information shared by the DNR at the launch meeting. The Contractor will become familiar with what the DNR has done and results for recent programs.

DELIVERABLE:

- *Brief summary of findings emphasizing potential implications or action items for both the annual plan and the program and campaign strategy for each program or initiative covered by the comprehensive plan.*

Step 3: Secondary research. The Contractor's first step in conducting secondary research will be to catalog the Contractor's existing knowledge and the experience gained by working in natural resources, and on specific DNR projects.

Next, the Contractor will conduct secondary research to add to and update Contractor's existing knowledge as well as to identify and assess:

- Current best practices in the category from other states, programs, federal agencies, other groups deeply involved in natural resources management, perceptions and attitudes, etc.
- Secondary data that will help define and deepen the Contractor's understanding of the target audience groups for each program, including their perceptions, motivations and media habits. Potential sources could include academic research, Responsive Management, trade associations, findings or practices from stakeholder or associate groups and any other natural resources-oriented groups, PRIZM and other omnibus surveys and resources.

DELIVERABLE:

- *Consolidated summary of findings emphasizing potential implications or action items for the annual comprehensive plan, including each program and campaign strategy and approach.*

Step 4: Optional primary research (if agreed upon by DNR and the Contractor, as needed).

The Contractor will conduct primary research if it appears necessary based on the results of steps 1, 2 and 3 above. The Contractor will likely recommend primary research if there are significant gaps in knowledge and understanding or the need for current information about attitudes and perceptions. Depending on the information needed, the Contractor will recommend either quantitative (survey) or qualitative (interviews or focus groups) research, or both, to provide needed inputs into campaign strategy and messaging.

- Survey research can be used to quantify current information. Survey research would likely be used for such efforts as:
  - Developing a baseline measurement of perceptions, attitudes and behaviors.
  - Identifying key target audience groups for any given initiative and establishing their baseline perceptions, attitudes and behaviors.
  - Follow-up with key target audience groups to measure impact of campaigns on perceptions, attitudes and behaviors.
- Focus groups or interviews can be used to explore thoughts, beliefs and feelings more deeply and are often used to help craft campaign messaging and creative direction.

Primary research may be timed to follow the completion of the annual comprehensive plan. This decision will be made with strong input and collaboration from the DNR. If the Contractor proceeds with this course, the findings of the primary research will be incorporated into the annual comprehensive plan to ensure that an accurate, up-to-date plan is available at all times.

**DELIVERABLES:**

- *Brief summary of findings emphasizing potential implications or action items for annual comprehensive plan, including each program and campaign strategy and messaging approach.*
- *Presentation of all work to this point to the DNR Program Manager or core team and others as appropriate, if requested by the DNR Program Manager. Presentation will summarize key findings and implications from the Discovery and Insights phase of Contractor's work (audit, secondary research and primary research if needed) and will provide an opportunity for DNR staff to vet and add to the information to date.*

Step 5: Develop strategy and media briefs for each program.

The Contractor will consolidate and summarize all the findings in the initial exploratory and research steps into strategy, media and creative briefs for review and approval by the DNR Program Manager.

The briefs will include relevant insights from the audit and secondary and primary research that are critical to the development of strategy, media planning, messaging and creative for each DNR program. Insights into each target audience group (their motivations, potential calls to action and other findings) will provide a deep understanding of the audience groups and contribute to messaging and creative development that will get their attention, connect with them in a meaningful way, and motivate them to think and behave differently.

**DELIVERABLE:**

- *Strategy and media brief document(s) for discussion, review and DNR Program Manager approval that include detailed customer profiles and critical information that will guide the Contractor's team as it begins developing impactful messaging, media plans and creative to reach the specific target audiences.*

Step 6: Develop comprehensive plan and program strategies per the brief.

The Contractor will convene its core strategic team (director of strategy, creative director, director of content and social media, account manager) and other Contractor resources as necessary to develop the recommended comprehensive plan and strategy for review by and approval from the DNR Program Manager. The comprehensive plan will address such points as:

- *Goals and objectives*
- *Target audience definition and motivations presented in a way that explains the audience's current beliefs and perceptions and what we want them to understand, know and believe and how we may want them to behave differently*
- *Potential key messages for each target audience group that will help them shift their current beliefs and perceptions to the desired state of knowledge, beliefs and behaviors*
- *Recommended strategies and tactics with accompanying calendar and budget*
- *Media plan (high-level media recommendations)*
- *Primary research recommendations*
- *Recommended metrics for campaign evaluation*
- *A detailed calendar of milestones for work and decision-making for each program or initiative covered by the plan*

Marketing strategy will be led by the Contractor's in-house research, planning and strategy group and is developed with a strong foundation in research and fact-finding. The Contractor's team will work collaboratively and independently in brainstorming and vetting ideas, which will be evaluated and built into a strategy/plan document for presentation, discussion, review and approval by the DNR Program Manager. The work done in the Discovery and Insights phase and then consolidated into the strategy brief will provide the criteria by which the strategic ideas are assessed. The proposed strategy will be routed through and reviewed by multiple Contractor staff to ensure that it provides the best possible recommendations.

**DELIVERABLE:**

*Comprehensive annual plan and strategy that details Contractor's recommendations for target audience groups, high-impact key messages that will resonate with the target audience groups, strategies, tactics*

*and media recommendations to reach them, and a corresponding calendar and budget recommendation and evaluation metrics.*

- 2) The Contractor must identify new and emerging cost-effective ways to reach target audiences.

The Contractor will be mindful of and committed to finding and employing the most affordable methods that effectively reach the target audiences. The Contractor will assess new opportunities on a regular basis to ensure alignment with program goals and communications strategy.

The Contractor's key team members assigned to this Contract will convene regularly during the planning and development phases of the work to generate potential ideas for developing impactful and successful campaigns. This group will be well oriented to campaign goals, objectives, strategic imperatives and target audience groups.

The factors that contribute to the Contractor's ability to successfully identify new and emerging cost-effective ways to reach target audiences are:

1. Deep knowledge of the target audience groups, first and foremost. The Contractor commits to efficiently reaching the right people with the right message in the right way at the right time.
2. The Contractor will pull insights into the target audience groups from all sources, secondary and primary. These insights form the basis for identifying new ways to reach audiences.
3. The Contractor will extend reach by using social media, leveraging up-to-date knowledge and information from Michigan's media outlets, staff expertise, and professional affiliations and industry conferences.

## **B. Market Research**

- 1) The Contractor must conduct market/audience research, as appropriate, to better assess and understand the target populations that the State is trying to reach. This research may include the use of marketing databases (such as Nielsen, PRIZM), focus groups intercept surveys, observational research, telephone surveys and other tools as approved to help determine/refine message and creative strategies. DNR will determine on a case by case basis whether or not research is necessary to achieve the desired results.

The Contractor will use research information to inform all aspects of communications and marketing campaigns:

1. Strategy
2. Messaging and creative concepts
3. Media recommendations

Secondary research will always be part of the Contractor's development process and will be automatically built into approach, as noted earlier in the proposal.

Primary research will be performed as needed and requested by the DNR Program Manager.

If the DNR has determined that primary research will be important from its perspective, the Contractor will begin the research process at the launch meeting. If not, the Contractor will make a determination during the audit and secondary research steps of the Contractor's process and present a recommendation for research. The Contractor's approach to research includes the following steps:

Step One: Define the research in detail. The first step in the research process will build out the initial plan in more detail. The Contractor will work through the following issues/questions and make recommendations with DNR Program Manager check points and approvals throughout the process.

1. Clarify/confirm research goals and objectives. (What do we want to accomplish with the research?)
2. Outline information needs/requirements from the research findings. (What will we learn from the research?)
3. Determine appropriate methodology. (How should we conduct the research? Do our goals lend themselves more to qualitative or quantitative methodology? Which precise methodology is best for this project?)
4. Define in detail the sample requirements. (With whom should we conduct this research? With whom should we talk – and why?)
5. Develop a schedule to ensure that the research findings are timely. (When do we need the information in order for it to have an impact on our work?)

Step Two: Identify a field partner. The Contractor will work with a partner who actually fields the research. The Contractor will lead all the development activities and is responsible for the "front end," but will rely on a partner for the "back end" of the process, such as survey coding, respondent recruitment, data cleaning and tabulation, etc.

Step Three: Develop and approve respondent screeners that determine who qualifies to complete the survey or participate in the interviews/focus groups.

Step Four: Develop the questionnaire (survey only) or moderator guide (focus groups only). Construct the questions and the flow of the survey or discussion.

Step Five (survey only): Program the survey. Once the questionnaire is developed, the Contractor's fielding partner will work to program it into the system, accounting for the proper ordering of questions and skip patterns as needed.

Step Six (survey only): Pretest the survey. The survey will be pretested by representatives from the Contractor, the research-fielding firm, the DNR, etc. to ensure that the questions are programmed correctly and in the correct order. The Contractor will look to pretest the survey with people who have no experience with it to ensure that it is easily understood and easily completed.

Step Seven: Execute the research. The research will go into the field for the data collection.

- For a survey, the survey will be deployed to respondents who satisfy the screening criteria. The Contractor will track completions daily, for total completes and to ensure that sample quotas for specific groups we want to have represented are being satisfied. The Contractor will stay in the field as long as needed to obtain a good-quality sample of adequate size to analyze.
- For focus groups or interviews, respondents will be recruited to participate and invited to attend a group discussion or interview on a specified day and at a specified time. Typically, group discussions will be held at a specialized facility that will allow for viewing by DNR and Contractor staff. Focus group sessions will often be video- or audio-taped to provide the opportunity for anyone who was unable to attend to hear the discussion firsthand.

Step Eight: Analyze the results and report the findings. The Contractor will conduct a thorough analysis of the findings of the research with special attention to the conclusions and implications that will inform the campaign.

- For a survey, the data will be cleaned first and then tabulated for review.
- For focus groups or interviews, key findings will be outlined and described.

**DELIVERABLE:**

*Presentation of research findings and implications to the DNR in the form of a written report document and, if requested, a PowerPoint or keynote presentation for a larger group. Focus group reports sometimes include video excerpts of respondents.*

**C. Media**

- 1) The Contractor is responsible for developing media plans for all individual media campaigns and their appropriate target audiences, messages, message strategies, and communication vehicles that help meet stated objectives. The Contractor must update this plan and provide to the DNR Program Manager as they require it throughout the fiscal year.

In conjunction with the comprehensive strategic plan outlining the major programs and initiatives for the year, the Contractor will present an annual media plan. This plan will detail how, where and when each targeted campaign will reach its target audience(s). The Contractor will recommend in detail which media vehicles should be used, and in what proportion and priority, to reach the audience groups, once the Contractor identifies and defines them and their media habits.

Geographic priority and recommendations will be data-driven. When the primary audience is determined solely by demographic information (age, gender, etc.), the Contractor will research census data to determine population saturation. This information will be shared with the DNR alongside the Contractor's recommendation for geographic priority. The Contractor will strategically align broadcast TV, outdoor and radio with population density of a primary audience and negotiate to offer a rating structure relevant to the campaign goals. When the primary audience is more specific than straight demographic information (i.e., psychographic – behaviors, beliefs, attitudes; behavioral – hobbies, habits, likes/dislikes), the Contractor will layer census information and audience insights from the industry's leading media consumption resources to clearly identify strategic geographic goals.

The Contractor will leverage key themes and findings from creative testing to build effective messages for the audiences and update the media plan accordingly as primary research helps outline new appropriate media vehicles and innovative partnerships to reach these audiences. Many of the steps the Contractor

takes during the planning process will also be part of the buying process, particularly as they relate to the amount of detail the Contractor requires of media partners during the planning process.

Step One: Launch. The media team will be launched from the approved media brief and oriented to the emerging strategic thinking and recommendations, target audience definition, media budget parameters and any additional background that will inform the media plan and schedule.

Step Two: Audience-specific media research. The Contractor will consult multiple resources, then compare and contrast the data to develop a more complete and comprehensive look at key audience segments. Research tools will include Nielsen MyBestSegments, Nielsen PRIZM, Mediamark Research Inc. (MRI), Comscore, Scarborough, Rentrak, Nielsen TV Ratings, Nielsen Audio (formerly Arbitron) and Rentrak. Each tool will assist the Contractor in further defining characteristics of target audience groups. Key media will include a breakdown of media type, suggested publications, TV shows, radio stations, websites, etc., and frequency for each specific tactic. Additionally, behavioral data will be aligned to support recommendations for innovative partnerships and billboard locations. The Contractor will mine the best data available and then strategically apply it to the media plan.

Step Three: Involve media partners. The Contractor will engage with media partners to determine the opportunities that best align with the marketing objectives. The Contractor will share research and campaign objectives with each partner and then listen to allow each media partner the opportunity to provide its most creative and comprehensive ideas. The Contractor will require rating information from each vendor.

Step Four: Assess media proposals. The Contractor will review and assess media proposals as they are received, using evaluation and planning tools such as STRATA and SQAD. These tools will be used pre- and post-buy.

- STRATA will be used to efficiently manage broadcast TV, cable TV, newspaper, radio and digital platforms, including Pandora. This program will collect, organize and report on all of the Contractor's past and current campaign experience. Data from the Contractor's subscription to Nielsen will upload directly into STRATA, enabling the Contractor to compare actual ratings post-buy with projected ratings and negotiate additional media weight when applicable.
- SQAD will provide spot TV, spot radio and Hispanic spot TV media cost data. The SQAD Database will ensure the Contractor and DNR transparency in the media marketplace. This data collection will be derived from Nielsen and records of actual placed media and dates back 16 rolling quarters for in-depth analysis of past rating trends. It will also create forecasting algorithms to help the Contractor budget and plan up to four quarters into the future. When SQAD skews high in Michigan markets, the Contractor will negotiate accordingly.
- SQAD TV data will include all markets, 67 demographics, eight day parts, three levels of costs and actual purchased cost per points (CPPs) and cost per thousand impressions (CPMs) for the current quarter plus projections for the next four quarters each month. This comprehensive set of data will allow for complete and accurate post-buy comparisons. Data is reported in May (1Q), August (2Q), November (3Q) and February (4Q), and includes all demos, day parts and markets, and average, low and high CPPs.
- SQAD Radio has all markets, 38 demographics, seven day parts (including weekends), three levels of costs and CPPs and CPMs for actual purchased CPPs and CPMs for the current quarter plus projections for the next four quarters each month.

Step Five: Create digital strategy. The Contractor will provide in-house digital strategists. Digital strategy will start with an audit of existing online platforms such as the campaign website, social media pages and search engine rankings. Next, the Contractor will carefully review competitors and identify key opportunities in the marketplace to most efficiently and strategically meet campaign needs. This comprehensive analysis will include a mix of organic recommendations including website functionality and usability considerations, organic social and search engine optimization, as well as paid recommendations such as search engine marketing and digital display campaigns to maximize the efficiency and effectiveness of every dollar invested in paid media.

Step Six: Develop comprehensive media plan. After evaluating all the media, the Contractor will develop a comprehensive plan that outlines the Contractor's recommendations for media strategies, paid media

budget per tactic, flight dates, target audiences, messages, message strategies and communication tactics to meet the stated objectives.

Step Seven: Review and approval by the DNR Program Manager. The Contractor will work closely with the DNR to present and explain the plan as needed in order to gain approval from the appropriate divisions or stakeholders, if appropriate. The Contractor will adjust, iterate or refine the plan as necessary in order to secure these approvals.

Step Eight: Update plan as needed. The Contractor will update the annual media plan throughout the year as necessary to reflect any changes that impact the plan. The Contractor will ensure that an approved, up-to-date plan is available to the DNR at all times throughout the year.

**DELIVERABLE:**

A comprehensive annual media plan for all DNR campaigns outlining target audiences, messages, *message strategies, communications vehicles, updated continuously throughout the year as needed.*

- 2) Once this Media Plan is reviewed and approved by the DNR Program Manager, the Contractor will proceed with developing individual Media Buys based on the Media Plans. The Contractor is required to submit these Media Buys to the DNR Program Manager for review and approval. This must include:
  - a. Paid media budget
  - b. Target audience
  - c. Flight dates
  - d. Geography/media markets
  - e. Advertising vehicles (TV, cable, radio, etc. and rationale)
  - f. Media weight (gross rating point/GRP) levels and expenditures for each medium in each market
  - g. Provide in-depth evaluation of all media vehicles (radio, television, print, outdoor, digital, etc.) available to the DNR throughout the State as requested by DNR.
- For known programs, media budgets for each campaign will be predetermined by the DNR or the Contractor will work closely together to determine the appropriate media allocation of the overall budget. The Contractor will use the overall budget to determine the best mix of media for the plan. The Contractor will show budget allocations to each media type as part of the overall plan. In the case of new or unanticipated programs, the Contractor will rely on their experience in buying media throughout Michigan for background to counsel the DNR on appropriate budget levels to meet campaign objectives.
- All media proposals, including bonus and value added, will be evaluated for well they reach the target audience.
- For known programs, flight dates will be set in accordance with the DNR's goals and any seasonality considerations. Where the Contractor has discretion, the Contractor will apply their deep understanding of the audiences and campaign objectives and good media theory to recommend flight dates that will meet campaign goals.
- Geographic market selection or priority will be based on research findings or other inputs that help to define key problem areas, program goals or other issues known to the DNR. The Contractor will combine their understanding of the issues with their deep understanding of Michigan media markets to determine the best geographic mix for the media plan.
- The plan will detail the Contractor's recommended use of advertising units. Selection of advertising units, like other campaign decisions, will be a balance of affordability and effectiveness. The Contractor will recommend standard advertising units and nontraditional units as appropriate which will be incorporated into the plan and detailed accordingly.
- Media weight and expenditures will be detailed in the plan using reach, frequency, CPP (cost per point), CPM (cost per thousand), total impressions and gross rating points (GRPs) in measured markets and other metrics (e.g., estimated impressions) in non-measured markets so the Contractor and DNR, know exactly what is being bought in each market.
- For the Contractor, evaluation of the media schedule begins the first day of the first flight. The Contractor will track media performance daily, especially in the case of short flights with high visibility. Digital media will be tweaked as needed while the flight is running. The Contractor will collaborate daily among the Contractor's creative, public relations, social and paid media teams to learn from audience insights and optimize at every possible opportunity. Comprehensive reports that detail the exact performance of all media types relative to the buy will be developed.

Brief Step-by-Step Overview of Negotiating and Placing Buys

1. The Contractor will contact each media partner to request specific schedules that support the approved plan.
2. The Contractor will compare each schedule's rating points with third-party research such as SQAD, assessing CPP and CPM to ensure the most competitive buy possible. The Contractor's typical goal is at least 25 percent lower than SQAD.
3. The Contractor will double-check and pay close attention to the audience, making sure that the final buy is completely aligned with the target audience groups.
4. The Contractor will assess media weight relative to the goals and determine the point of diminishing returns.
5. The Contractor will cross-compare rates and inventory with other schedules that the Contractor has placed to make sure they are in line with other, similar buys.
6. Once the Contractor has reached the final negotiated rate, the Contractor will negotiate additional innovative ideas for activation, based on proposals and brainstorming from early engagement of media partners, which will allow the Contractor to develop value-added placements, bonus weight and activation opportunities that are not on the rate card.
7. The Contractor's entire strategic team will be involved in assessing the bonus and value-add opportunities to ensure complete alignment with campaign goals and target audiences. Sometimes this will be an iterative process.
8. After all final negotiations (for the core buy and the value-adds) have been completed and approved by the DNR Program Manager, the Contractor will finalize the buy with media contracts, Contractor insertion orders and Contractor broadcast orders. This paper trail will make all expectations clear, outline all paid and value-added media, and provide for accountability.
9. Custom reports will be created for each flight of the plan to clearly communicate this detailed and important information. Maps, graphics and tables will help organize the data to make it simple to quickly comprehend how all the different tactics work together to accomplish campaign goals.
10. Any changes to the media buy and schedule will be promptly updated so that the DNR always has an up-to-date, approved plan.

**DELIVERABLE:**

- *For each program/campaign, a detailed planning report for the DNR Program Manager's review and approval that includes all of the important and relevant information requested by the RFP, such as the paid media budget, target audience definition, schedules and flight dates, geography and media markets, recommended advertising vehicles, advertising units and media weight (GRPs), and a plan for how the media will be evaluated throughout and at the conclusion of each campaign.*

- 3) The Contractor is also responsible for advertising placement and must:
  - a. Buy and negotiate radio, television, and cable air time, cinema, internet, publication space, outdoor and transit space, direct mail services, and any other media used for advertising and promotions projects. Negotiate matching spots, value added, bonus, and other creative means to further advertising reach.

During the process identified in Section 1.C.1 and 1.C.2, media vendors will be provided with final confirmation of target audience goals, reach and frequency/impression goals, and the ultimate goals of the campaign, and will be asked to provide recommendations for media placements, promotions, inventory and budget.

- After a review of requests for proposal/inventory responses from qualified, reputable vendors, the Contractor will negotiate with each vendor to obtain the best value (including discounts and bonus placements) and positions for the DNR with each individual vendor, and will build a media and schedule buy that meets the criteria agreed upon in the media plan. The Contractor will conduct multiple rounds of back-and-forth negotiation.
- Once the Contractor has reached agreement with each media vendor, the buy will be considered completed. Signed orders will be dispatched to all vendors and a detailed schedule will be provided to the DNR Program Manager listing purchased stations, publications and websites with spot schedules/impressions, discount/bonus value and timing. With the signed orders, the buy will be considered "placed."
- After the buy is placed and while it is in market, the Contractor will stay in close contact with vendors to ensure that schedules run as ordered. The Contractor will review screenshots for web placements and tear sheets for print placements, and will listen to air checks for radio spots to validate that creative is running correctly.

The Contractor will continue to negotiate, monitor the media performance throughout the buy and optimize as needed. Detailed media performance documents will be provided to the DNR Program Manager at regular intervals.

- If the Contractor uncovers any inconsistencies in quality, the Contractor will negotiate restitution value above the original order.
- The Contractor's media director will review every vendor invoice against the buy to ensure that full agreed-upon value has been received before authorizing for payment. Once third-party rating books (Arbitron, Nielsen) that coordinate with the Contractor's advertising periods have been released, the Contractor will post actual ratings against station-supplied estimates/projections. Any station that falls short on point delivery must provide a make-good schedule to ensure that full agreed-upon value is received.

The Contractor will seek to attain value-added placements of at least 25 percent of the GRP goal in the proposed media buy.

The first type of value-added the Contractor will negotiate is additional inventory, similar in kind and quality to the core contract. The Contractor will maximize inventory as much as possible while remaining cognizant of a point of diminishing return. This effort will include additional spots/ad placements, improved day parts, campaign date extensions, etc.

Once the Contractor is confident that they have attained a level of reach and frequency best suited to meet the campaign goals, the Contractor will negotiate rates.

The Contractor's final round of negotiation for value-added will seek opportunity for bonus spots in all assets available from the vendor.

Once the Contractor is confident they have reached the absolute maximum value of each contract, the Contractor will issue a signed order clearly documenting all value-added. This contract will guarantee commitment from each vendor to execute the value-added as originally agreed upon and holds each vendor accountable for make-goods of any item that is listed in the signed order but not executed as promised.

In addition to traditional value-added, the Contractor will optimize every element of the contract throughout the duration of each agreement. The Contractor will stay in close contact with media partners to take advantage of opportunities in the marketplace.

Once the Contractor has reached agreement on the specific value-added for each contract, it will be clearly documented and will become part of the formal contract and insertion order provided to each respective vendor. This detailed process will set clear guidelines for deliverables. At the time of invoicing, the Contractor will review execution of value-added with the same scrutiny as paid media components to ensure delivery before invoice authorization. Complete media analysis and metrics, including value-added and bonus placements, will be detailed in post-buy media reports.

#### Contractor's partners:

Broadcast TV: Individual contacts in each DMA at NBC, ABC, CBS and Fox, Michigan Association of Broadcasters (MAB), and CoxReps.

Cable TV: Comcast, Charter, WOW, Big Ten Network, ESPN and SEC Network, Michigan Cable Telecommunications Association (MCTA), and National Cable Communications.

Radio: I Heart Media, Radio One, Town Square Media, Westwood One, CBS Radio and Disney, Macdonald Broadcasting, and MAB

Outdoor: Outfront Media, Adams and Lamar, Crossroads Outdoor, Wolverine Sign Works, Skyline Outdoor Media, and Matrix Media.

Digital Partners: Goodway Group, Centro, AdzZoo, Pandora, HULU and Valassis.

Minority Media Partners: Michigan Publishers Auxiliary (representing 25 minority publications), Blac (part of the Metro Parent publication group in Southeast Michigan), Arab American News, Michigan Chronicle and Front Page, Monica Sparks Show on Talk 1230 WTKG, El Vocero, Latino Press, Keweenaw Bay Indian Community Newsletter and New Opinion.

Merchandise/Giveaways: The Contractor maintains multiple wholesale licenses and works closely with multiple ASI vendor partners to procure and develop custom merchandise and/or giveaway items in support of messaging goals. Some partners include Mahoney and Associates, The Idea People, individual artists and entrepreneurs.

Sports Marketing: IMG College, Fox Sports College Properties, Learfield Sports, CBS Sports, Big Ten Conference and Professional Sports Publications, Fox Sports College Properties/Michigan State

University Athletics, Lansing Lugnuts, West Michigan Whitecaps, Traverse City Beach Bums, Grand Rapids Griffins, all professional sports teams, individual schools, and Slam Dunk Sports Marketing.  
Social partners: Google Partners Program  
Public TV and Radio: WDET, WKAR, WUOM, WCMU and WGUV stations.  
Print: niche publications, statewide daily and community newspapers, magazines throughout the state, Media Networks Inc. (offering regional placement of print ads in top publications such as USA Today, People Magazine, etc.), and Michigan Press Association (MPA).

**DELIVERABLE:**

- *An approved media buy schedule detailing placements and all metrics, including value-added and bonus placements.*
- b. The Contractor must negotiate and purchase all forms of digital media including desktop and mobile if needed and approved by the DNR Program Manager. The Contractor will continually optimize throughout the campaign to make sure the best results are achieved.

The Contractor will use the processes described in Section 1.C.1 through 3.

- c. Work to extend the budget through innovative ideas, creative partnerships, and aggressive negotiation skills to leverage funding available for paid advertising.

**DELIVERABLE:**

- *A steady stream of ideas and a resulting plan that optimizes and maximizes limited budget dollars with significantly extended media partnerships, value-adds and bonus.*
- d. Inform DNR of and evaluate as requested any special or unique media placements or opportunities.
- e. Negotiate make-good media-weight for any under-delivery to be scheduled during the next applicable paid media flight.

Throughout the duration of each contract, the Contractor will stay in close contact with vendors to ensure that all deliverables are executed as ordered. Depending on the specific features of the buy, the Contractor's verification may occur weekly, monthly or quarterly. The Contractor's media director will review and approve required documentation as outlined below before authorizing payment. The Contractor requires detailed reporting and proof of performance with each media buy. The Contractor will discuss the requirement with each vendor at the time the contract is executed to ensure that all parties are capable of providing the level of information required for invoice reconciliation.

Media Type	Required Verification Document
Print (Newspaper, Magazine, etc.)	Invoice, tear sheets for each placement
TV	Invoice, affidavit, spot check
Outdoor	Invoice, photo sheet
Radio	Invoice, affidavit, spot check
Digital	Dashboard metrics (see sample dashboard below)
Social Media	Network insights, analytics reports (see examples below)

The Contractor's philosophy for make-good media weight requires that it exceed the value of the originally planned schedule. This philosophy will ensure that the DNR receives maximum value for each media investment and innovative solutions in each make-good scenario.

**DELIVERABLE:**

- *Client media deliverables executed as ordered or made good with appropriate placements of greater weight.*
- f. Conduct a post-buy review/analysis on the placement of media and the effectiveness of media buys in terms of cost, reach, frequency, continuity, and message dispersion requirements, etc. for each media campaign. No later than two months following the end of each media buy, the Contractor must submit this post analysis report to the DNR Program Manager. The Contractor should use findings to refine current and future media plans.

- g. Provide follow-up reporting to DNR including invoice reconciliation and audience delivery assessments with an objective of receiving plus or minus 10 percent of the Gross Rating Points (GRP) goal in the proposed media buy.
  - h. Provide a final report of the base buy plus the bonus weight no later than 60 days after the media buy and bonus have aired to DNR. Return on Investment (ROI) for the bonus weight must be included in the report.
- 4) Placement services include not only paid media but also value added media, Michigan Association of Broadcasters (MAB) media, Michigan Cable Telecommunications (MCTA) media, and Michigan Press Association (MPA) media.
  - 5) The Contractor must cooperate and work in tandem with third-party media auditing services to periodically examine and audit advertising released through the various media to verify that quality, timing, position, and distribution are consistent with the approved plans, guidelines, and industry standards. If, for any reason, the auditing service finds these conditions are not met, it is the Contractor's responsibility to rectify the situation.

**D. Creative:**

- 1) The Contractor must create high-impact, modest-budget creative strategies and tactics.

The Contractor's creative process will incorporate the key factors below that contribute to high-impact creative campaigns, regardless of budget:

- Clear, unambiguous goals and objectives for the campaign.
- Understanding budget constraints at the creative launch. (Though creative ideas are not budget-dependent, some creative executions will be more complex and require higher levels of investment. Knowing the budget up front will keep the creative teams on track and away from expensive executions.)
- Well-defined target audience and deep information about who they are, what they believe, their motivations, barriers for changing their behavior, etc.
- Relevant, reliable, quality information.
- Exploratory research that allows the Contractor to understand the issue completely from the target audience's perspective (their language, their biases, etc.) in order to be able to connect with them.
- Launching the creative team from a high-quality, fully approved and agreed-upon brief that articulates all the necessary information about the campaign to be developed.

The Contractor will develop impactful creative solutions that meet or exceed DNR goals and objectives.

All of the information that is used in developing the marketing strategy is also used to set up the creative team(s) for concept development.

Contractor's approach to creative concepting:

1. A creative brief will be formulated based on the findings of the research and analysis steps and in alignment with the strategic plan, including the media plan. This brief is submitted to the DNR Program Manager for review and approval before the creative teams are launched.
2. The creative brief will be used to launch the creative teams. The account manager, strategy director, research manager and media director will be available to the creative teams throughout the process to address any questions or provide more information or deeper understanding if needed.
3. If exploratory focus groups are conducted during the Discovery and Insights phase, they will provide input to the process for creative concepting.
4. Multiple Contractor creative teams (pairs that include some combination of creative director, account planner, copywriter and art director) will work together to develop many ideas, which will be presented and evaluated by the larger team.
5. For creative concepting, the Contractor will conduct an iterative process which will require many rounds of development, review, new ideas, review, more new ideas, etc., until the best ideas rise to the top. From there, the best ideas will be ready for presentation to the DNR and/or for testing, depending on the agreements made about the process at the launch meeting.

6. The Contractor will start with broad, high-level concepts that will work in any media and then adapt the approved concept to the appropriate media. Once the broad concept direction is approved the Contractor will immediately apply it first to 30-second television and then to 30- and 60-second radio.
  - TV spot development will begin with a treatment including an overall description of how the ad will flow, the tone of the ad, the general message and general visuals.
  - Once the treatment is approved by the DNR Program Manager, the Contractor will write a script that conforms precisely to the timing requirements.
  - The Contractor may develop storyboards in the form of illustrations displayed to help the DNR visualize the sequence of the TV spot.
  - Once the script and storyboards are approved by the DNR Program Manager, the production process will begin in earnest.

DELIVERABLE:

- *At least three creative concept directions presented as “advertising-like objects,” or ADLOBS, that include a campaign theme; benefit or tagline if appropriate; potential headlines; supporting copy points or key messages; and visual direction.*
- 2) The Contractor must refresh existing ads as requested and develop new ad themes, campaigns, and campaign assets, including 30-second TV ads, radio ads, pre-roll, billboards, etc.)
  - 3) The Contractor must design collateral materials (such as banners, posters, radio liners, web banners, etc.)
  - 4) The Contractor is responsible for developing or modifying advertising/marketing/creative concepts within established budgets, including but not limited to TV, radio, print, digital, social and other media channels.
  - 5) The Contractor must work to create the most compelling ads to drive clicks and actions for digital media.
  - 6) The Contractor is required to prepare a creative brief and present at least three (3) creative concepts, which the DNR reviews. One (1) concept is taken to final art or script and storyboard, which is routed for review and comment. Once changes are made and reviewed, the concept will receive final approval from the DNR Program Manager to move forward. In instances where DNR and/or the program is not completely confident with the creative presented, the Contractor will get prompt feedback and will require the creative team to immediately move forward with developing new concepts.
  - 7) All communications must be diverse and culturally competent.
  - 8) All creative concepts/materials/productions must be copyright free, including non-rights managed visual materials (to be used in print, online, and other forms) and full buy-out (unrestricted use) of talent in all Michigan media (broadcast, cable, and online) for a minimum four-year period. The Contractor must ensure that in negotiations of talent rights, the State will be signatory on all talent/property rights.
  - 9) The Contractor is responsible for developing, managing and executing social media/new media strategies and deliverables (including mobile, interactive, Pandora) to complement advertising and earned media campaigns.

The Contractor’s process and the considerations for developing social media and new media recommendations and strategies include the following:

- Participating in campaign launch and planning meetings to ensure the integration of social media into the comprehensive strategic plan.
- Reviewing overall marketing goals and objectives for the campaign.
- Based on marketing goals, determining social media, content marketing and other new media objectives that would assist in achieving those overall goals.
- Determining measures of success and reporting metrics that will be used to report success to DNR.
- Consulting in work plan and media planning stages to determine what paid social and new media tactics should be included. This will help determine up front what will be needed so that social media, content marketing and new media work cohesively with the advertising or earned media campaigns (e.g., conversion needs for website, social sharing opportunities, additional content development, etc.).
- Researching audit of industry best practices online, current DNR assets and online audiences, and potential competitors’ online performance and current campaigns.
- Developing social media and new media work plan, calendar and budget that will best promote advertising campaigns and deliver earned media campaigns to online audiences. This could include

recommendations of new social channels not being used, based on goals and audience research (e.g., YouTube channel creation to host video ads).

- Development of all needed campaign deliverables. This will include content creation for social media ads, content marketing articles, online radio and video creation, and any photography and design needed.
- Continuing value-added opportunities initiated throughout the campaign to help make it a success. This will include added digital elements to accompany our content, home page takeovers, hero ads and pre-roll placement.
- Campaign implementation, ongoing monitoring and optimization of campaign while in market.
- Based on DNR needs, this can also include assisting in responding to and engaging and/or training DNR teams on execution of implementation deliverables.
- Ongoing reporting throughout the campaign using an online dashboard that will be updated in real time for DNR, and final campaign results presented in a report based on success metrics.

#### **E. Production:**

The Contractor is responsible for:

- 1) Directing, managing, and coordinating all aspects of production for television and radio production, including seeking at least three (3) bids for best pricing. Video and audio production/filming/recording should take place within 60 minutes of Lansing, Michigan, when possible. This includes:
  - a. Scouting locations
  - b. Securing studio and/or voice recording facilities (voice studios must offer high-quality connections for off-site talent)
  - c. Casting screening and talent recommendations
  - d. Identifying music
  - e. Providing Special effects
  - f. Film shooting, recording, editing, and post-production
  - g. Delivering rough cuts and finished spots to DNR Program Manager for final approval within the timeframe defined by DNR Program Manager but no less than one (1) working day (in most cases rough cuts should be ready five working days after filming/recording)
  - h. Producing and duplicating media materials as needed in a variety of formats.

Contractor's steps for video and audio production include:

1. Creative brief that will guide all execution, including budget parameters
2. Kickoff meeting with the creative team
3. Script development
4. Specs will be developed and discussed with potential production partners to ensure that ideas/scripts can be achieved within budget
5. DNR Program Manager review and approvals
6. Production bids (at least three bids to ensure best pricing/value)
7. Selection of production partner that will be closely involved throughout the project to ensure quality and budget adherence
8. Development of storyboards, locations and props (video)
9. Casting, sound effects (SFX), music selections
10. Final scriptwriting
11. DNR Program Manager review and approvals
12. Production recording
13. Post-production edit
14. Final DNR Program Manager review and approval
15. Distribution to media outlets

- The Contractor's creative director will serve as executive producer and will be responsible for strategic oversight, guidance and coordination of all shooting, directing, recording, editing and post-production to ensure creative excellence. For production the Contractor will engage subcontractors who meet quality standards and work ethic.
- For every step of the process, DNR is invited to have as much or as little participation as they wish; for example, with regard to production partner, approving locations, talent, music, editing, etc., prior to final production.
- For broadcast deliverables (such as TV, video and radio), the Contractor will require a final approved script before production begins.
- The Contractor will audition talent on screen and scout locations. The Contractor will manage subcontractors to provide any other support necessary for success, including props, extras, etc.

- The Contractor will conduct a minimum of two rounds of edits for each video or audio spot, based on DNR feedback. The Contractor will tightly manage the work in the editing studio to ensure that the process is timely and cost-effective.
- The Contractor has established long-term relationships with talent agencies and individuals that will provide a variety of options for voice talent needs. Once the Contractor's creative team has identified the type of voice needed, the Contractor will audition several voice talents and make a final selection. The Contractor's production manager will negotiate the contract, requiring unlimited-use licensing, and then will coordinate timing. The Contractor's creative director will be present for recording to ensure fidelity to creative vision and script.
- The Contractor has an extensive, experienced pool of talent including talent agencies and individuals with modeling, acting, performing and voice recording experience. The Contractor's creative team and production manager will work together to identify and retain the best talent based on the goals, objectives and budget of the project. The Contractor's production manager will handle all necessary arrangements with talent, including timing and travel.
- For animation, the Contractor will work with several talented vendors who specialize in animation and animation editing. The Contractor will originate the concept and look of the animation; the Contractor's art director will develop key designs and still frames, and will supply these to the vendor. The vendor will execute the final animation, with management from the Contractor's creative team.
- The Contractor's scripts will identify the intended audio components. Prior to production, the Contractor will work closely with a production studio partner to identify the perfect theme or audio components needed to bring the concept fully to life. The Contractor can create long-form videos that required original music scoring, and partners who can provide original music, if needed.

The Contractor will directly provide all digital video formats for broadcast and web. The Contractor's traffic manager, production manager and media director will work together to ensure that all jobs have complete specifications on file, and deliver accordingly. The Contractor can provide nontraditional and legacy formats through production vendors.

The Contractor will work closely with production vendors to execute DNR's duplication needs. The Contractor's production manager will coordinate the creation of "dubs" with the production studio and will work with the Contractor's media buyer to ship the dubs to each media outlet, based on the approved media schedule. (Typically, broadcast dubs are shipped as digital files.) The Contractor will maintain a master file of each TV and radio spot produced.

The Contractor guarantees distribution and delivery by utilizing the following key processes and tools:

- Insertion orders will be created and sent to each media vendor outlining the agreed-upon cost, deadlines and deliverables.
- The Contractor's traffic manager will work with Contractor management software and the creative and production teams to ensure accurate execution and delivery.
- The Contractor management software is a fully integrated web-based management system that will integrate all Contractor functions into a seamless system: DNR service and project management, accounting, creative management, production management, traffic and media.
- The Contractor will utilize the following disclaimer to ensure file integrity: "Any alterations to this file by anyone who is not a staff member of GÜD Marketing will result in non-payment."
- The Contractor will require confirmation emails from all media vendors upon acceptance of materials, including the disclaimer.

2) Producing internet/web project deliverables including:

- a. Repurposed-TV ads
- b. Banner ads
- c. In-game ads
- d. Social media graphics, etc.

3) Producing other project deliverables including:

- a. Billboards
- b. Posters
- c. Banners
- d. Flyers
- e. Email marketing messages, etc.

Once the concepts have been approved by the DNR Program Manager, the Contractor will execute all creative elements accordingly.

The Contractor will work to share assets across platforms to support consistency in campaigns and messaging.

The Contractor will monitor and manage digital media placements performance daily to optimize creative placements that perform the best.

The Contractor's process for completing work will incorporate the following steps, which will be managed jointly by the designated Contractor account manager and traffic manager. The Contractor will use a management software system to help manage workflow and other Contractor functions.

1. Once the comprehensive plan, media recommendations and creative direction have been approved by the DNR Program Manager, the Contractor's account manager will finalize the work plan so that all campaign deliverables are identified and scheduled. This final work plan and schedule will be sent to DNR and shared internally for the entire Contractor team.
2. The Contractor's account manager will launch the internal team with a project/creative brief that will be based on the approved strategy and will provide important guidelines to ensure that the team meets the deliverables.
3. The Contractor's account manager and traffic manager will work with the team daily to ensure that the proper resources are assigned and that review dates and deadlines are being met.
4. As each creative deliverable is completed, it will be routed through the appropriate Contractor staff to ensure fidelity to project goals, strategy, specifications, quality standards, production readiness, etc. For all web deliverables, the Contractor ensures Section 508 compliance when required.
5. All creative deliverables will be reviewed with the DNR Program Manager for approval.
6. Requested changes will be made and final deliverables will be sent to for the DNR Program Manager for final approval. All creative will be proofed and/or tested multiple times throughout the process, and will always undergo a final proof as the last step.
7. Final approved deliverables will be trafficked to the appropriate media or other specified source for placement.

The Contractor has complete in-house creative and production capabilities and employs a full-time production artist and web designer/coder that will manage and implement the final phase of the creative process. The final phase will involve the preparation of print, fabrication, or web-ready files that will be reproduced seamlessly for DNR. To accomplish tasks, the Contractor's team will work with the end in mind, considering:

- Final use of design, print, digital, web
- Sizing the image to the correct medium
- Image retouching, color management
- Development of a high-resolution (HR) PDF; collection of native files for vendor use
- Final file archiving

#### **F. Traffic:**

- 1) The Contractor is responsible for shipping/uploading all radio and television dubs, in the appropriate media formats, with traffic instructions, to stations in time to meet program deadlines.

The Contractor guarantees distribution and delivery by utilizing the following key processes and tools managed by the Contractor's traffic manager:

- Insertion orders will be created and sent to each media vendor outlining the agreed-upon cost, deadlines and deliverables.
- The Contractor's traffic manager will work with the Contractor management software and the creative and production teams to ensure accurate execution and delivery.
- 
- The Contractor will utilize the disclaimer specified in Section 1.E.1 and will require confirmation emails from all media vendors upon acceptance of materials, including the disclaimer.

#### **G. Additional Services:**

- 1) The Contractor must plan and organize special public relations events as requested by the DNR Program Manager.

The Contractor will adhere to a series of checklists to ensure that all the details are being attended to properly, on time and within budget.

- 2) The Contractor must work with other DNR marketing vendors and partners. The Contractor must work to incorporate assigned programs and strategies that are with DNR marketing vendors and partners into any larger plans or strategies as directed by the Program Manager.

The Contractor will take the lead, or assume a secondary role depending on the preferences of the DNR.

- 3) The Contractor must make presentations to audiences as requested by DNR (estimate of 5 to 10 times per year. The Contractor must develop and provide any associated presentation materials.
- 4) The Contractor must secure web domains if needed as part of an overall campaign.

#### **H. Implementation:**

As a one-time project upon award, the Contractor must review existing campaigns and performance reports in order to provide recommendations to maximize value from the existing media mix.

#### **1.1. TRANSITION**

End of Contract Conversion Responsibility: At Contract expiration or termination, the Contractor must work with State personnel and other contractors, if applicable, to convert or transition all Contract Activities, services, web domains, and data into an acceptable format for uploading into or importing into a State owned database (also see Standard Contract Terms, Sections 25 and 32.e). The Contractor must work with the State and/or previous contractor during implementation of the transition plan to effect an orderly transition to the new contractor if applicable. The Contractor must allow as many personnel as practicable to attend meetings and receive hardcopy and original/master electronic files (excel, PDF, InDesign, etc.) to help maintain the continuity and consistency of the services required by the Contract. The Contractor agrees to receive reasonable detailed specifications for all Contract Activities previously provided to the State to properly provide the Contract Activities required under the Contract.

#### **1.2. Contract Activities That Will Include IT Related Services**

The Contractor must follow State of Michigan IT Standards for delivery of data per Section 3.6.B and Standard Contract Terms, Section 1.

The links below provide information on the State's Enterprise Information Technology (IT) policies, standards and procedures which includes security policy and procedures, eMichigan web development, and the State Unified Information Technology Environment (SUITE).

Contractors must conform to State IT policies and standards. All services and products provided must comply with all applicable State IT policies and standards.

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard IT Environment.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's Project Manager must approve any changes, in writing, and DTMB, before work may proceed based on the changed environment.

#### **Enterprise IT Policies, Standards and Procedures (PSP):**

[http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html)

#### **Look and Feel Standard**

All software items provided by the Contractor must be ADA complaint and adhere to the Look and Feel Standards [www.michigan.gov/somlookandfeelstandards](http://www.michigan.gov/somlookandfeelstandards).

#### **SUITE:**

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

## 2. ACCEPTANCE

### 2.1. ACCEPTANCE, INSPECTION AND TESTING

The State will use the following criteria to determine acceptance of the Contract Activities:

Before approving invoices for payment, the Program Manager will review deliverables and review invoices to verify costs are accurate. Contractor's invoices must include detailed information for the project. The State will pay the Contractor for its costs incurred related to the Deliverables plus mark-up based on the Contract rates. The State will reimburse the Contractor only for services and/or merchandise authorized by DNR, approved by the DNR Program Manager, and provided for in the purchase order. Payment will not exceed the amount approved by authorized estimate without submission and approval of a revised estimate. All invoices must reflect actual work done. Invoice and payment specificity will be agreed upon between the DNR and the Contractor per Section 6.1.

## 3. STAFFING

### 3.1. CONTRACTOR REPRESENTATIVE

The Contractor must appoint one individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

#### Contractor Representative:

Andrea Ness  
517.853.3871 (office, direct line)  
517.267.9800 (office, main line)  
517.936.4113 (mobile)  
Ness@GudMarketing.com

### 3.2. WORK HOURS

The Contractor must provide Contract Activities during the State's normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project.

### 3.3. KEY PERSONNEL

The Contractor must appoint seven Key Personnel positions (Senior Level Strategic Counsel, Account Manager, Creative/Art Director, Media coordinator, Researcher, Copywriter, Billing coordinator), specifically assigned to State of Michigan accounts, be knowledgeable on the contractual requirements, and respond to State inquiries within 24 hours.

Required Key Personnel positions and the minimum experience levels:

Key Personnel	Minimum Experience
Senior Level Strategic Counsel / Firm Principal	<ul style="list-style-type: none"><li>Seven (7) years of advertising experience.</li><li>Experience leading/directing major accounts.</li></ul>
Account Manager	<ul style="list-style-type: none"><li>Five (5) years of advertising experience.</li><li>Experience supervising advertising projects</li></ul>
Creative / Art Director	<ul style="list-style-type: none"><li>Three (3) years of experience developing creative advertising</li></ul>
Media Coordinator	<ul style="list-style-type: none"><li>Three (3) years of planning and/or buying media.</li></ul>
Researcher(s)	<ul style="list-style-type: none"><li>At least one position: Three (3) years primary and secondary research experience.</li></ul>
Copywriter(s)	<ul style="list-style-type: none"><li>At least one position: Three (3) years of advertising copywriting experience.</li></ul>
Billing Coordinator	<ul style="list-style-type: none"><li>No minimum experience recommended.</li></ul>

A. The Contractor must provide the following Key Personnel:

1. Name	3. Position	4. Role(s) / Responsibilities	5. Direct / Subcontract/ Contract	6. FT/PT/T	8. % of Work Time	9. Physical Location
Debbie Horak	Senior Level Strategic Counsel/ Firm Principal	<ul style="list-style-type: none"> <li>Provides marketing counsel and guidance when needed</li> <li>Participates in key strategy meetings</li> <li>Ultimately responsible for overall success of DNR's marketing objectives</li> </ul>	Direct	FT	2%	Lansing, MI
Michelle Ntoko	Account Manager	<ul style="list-style-type: none"> <li>Primary day-to-day interface between DNR and Contractor</li> <li>Lead Project Manager, developing work plans, supervising all DNR projects, and aligning Contractor resources to meet DNR needs.</li> <li>Developing yearly marketing plans/recommendations and provide marketing counsel</li> <li>Attends key meetings, develop and give presentations and reports as required by DNR</li> </ul>	Direct	FT	34%	Lansing, MI
Jill Holden	Strategic Counsel	<ul style="list-style-type: none"> <li>Lead strategic planning, branding development and research efforts</li> <li>Provides strategic guidance, creative direction and review of campaign materials</li> <li>Collaborates with account manager to translate DNR business objectives into marketing strategies and oversees campaign information</li> <li>Provides implementation and program evaluation to ensure delivery of business and communications goals</li> </ul>	Direct	FT	10%	Lansing, MI
Rachel Krohn	Creative/Art Director	<ul style="list-style-type: none"> <li>Participates in campaign concept development</li> <li>Provides design and art direction in multiple media formats including web, collateral, tradeshow booth design and handouts, advertising design, identity, information graphics, and broadcast art direction</li> </ul>	Direct	FT	15%	Lansing, MI
Emmie Musser	Media Coordinator	<ul style="list-style-type: none"> <li>Develops and executes paid media strategies, plans and schedules</li> <li>Negotiates rates and places media buys</li> <li>Conducts post-buy analysis and prepares extensive media reports</li> <li>Researches and identifies target audience lifestyle, including viewing and reading habits</li> <li>Evaluates all media contracts, pricing, deliverables, reputation, invoicing and performance</li> </ul>	Direct	FT	10%	Lansing, MI
Chelsea Maupin	Research Manager	<ul style="list-style-type: none"> <li>Coordinates all market research efforts</li> </ul>	Direct	FT	8%	Lansing, MI

		<ul style="list-style-type: none"> <li>Provides secondary research and background information</li> <li>Generates market research analysis, reports of findings and summaries including recommendations for all research efforts</li> </ul>				
Joel Newport	Copywriter	<ul style="list-style-type: none"> <li>Leads Contractor creative team, including concept development, copywriting, art direction and design for all marketing elements</li> <li>Oversees all aspects of creative process and will be copywriting on key creative deliverables</li> <li>Works as lead producer/director on broadcast and video deliverables</li> </ul>	Direct	FT	15%	Lansing, MI
Larry Amburgey	Billing Coordinator	<ul style="list-style-type: none"> <li>Responsible for managing agency financial operations</li> <li>Responsible for monthly invoicing, working with account managers to provide invoices in format and level of detail required by clients</li> </ul>	Direct	FT	3%	Lansing, MI

B. Reserved

C. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

D. Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms.

E. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

(i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

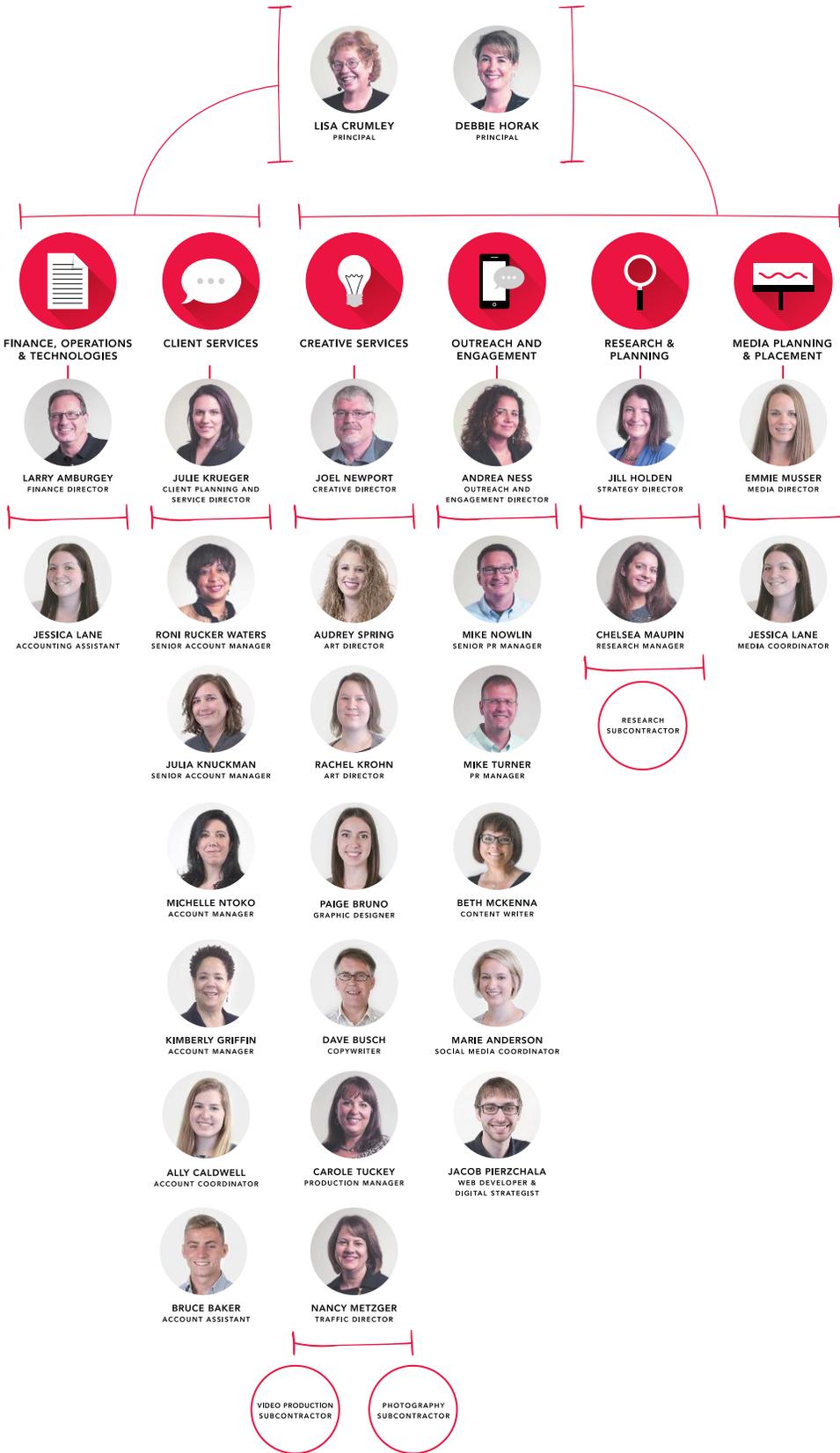
(ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$100 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized

Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

- F. Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

#### **3.4. ORGANIZATIONAL CHART**

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.



**3.5. DISCLOSURE OF SUBCONTRACTORS**

- A. Situations may arise where the Contractor may not possess the experience and expertise necessary to effectively carry out a project. The State expects that, in those instances, the Contractor will propose, or the Contractor and the State will jointly identify, subcontractors as needed to creatively develop and oversee production of certain special programs or projects.
- B. The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract. Any subcontractor must be agreed to by the State and an amendment to the Contract is required via Contract Change Notice. See Standard Contract Terms Section 10 Subcontracting and Section 54 Entire Contract and Modification.

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

- 1. The legal business name; address; telephone number; a description of subcontractor’s organization and the services it will provide; and information concerning subcontractor’s ability to provide the Contract Activities.
- 2. The relationship of the subcontractor to the Contractor.
- 3. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- 4. A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- 5. The price of the subcontractor’s work.

C. Subcontractors

Sub-Contractor Name	Complete Description of the Services to be provided under this Contract
Ahptic Productions LLC	If necessary, the Contractor may utilize the services of Ahptic Productions to: <ul style="list-style-type: none"> <li>• Assist with development of broadcast television commercials, promotional web videos, etc.</li> <li>• Provide video production, editing, motion graphics and animation</li> </ul>
Luke Anthony Photography, LLC	If necessary, the Contractor may utilize the services of Luke Anthony Photography for: <ul style="list-style-type: none"> <li>• Photography and videography</li> </ul>
Morpace, Inc. 31700 Middlebelt Road, Suite 200, Farmington Hills, MI 48334 (248) 737-5300	Morpace will assist the Contractor with any primary research (quantitative or qualitative) by offering the following services: <p>Online Quantitative Surveys</p> <ul style="list-style-type: none"> <li>• Assist with survey design.</li> <li>• Survey programming and testing.</li> <li>• Plan, manage and conduct online survey research.</li> <li>• Performed Advanced Analytics based on results of Max-Diff choice activity.</li> <li>• Provide final tabs and report of results</li> </ul> <p>Focus Groups</p> <ul style="list-style-type: none"> <li>• Assist in questionnaire development</li> <li>• Provide location and recording equipment</li> <li>• Provide moderator if necessary or desired</li> <li>• Provide report of results</li> </ul>

**3.6. SECURITY**

The Contractor will be subject the following security procedures:

- A. The Contractor’s staff may be required to make deliveries to or enter State facilities. The State may require the Contractor’s personnel to wear State issued identification badges.
- B. All Contractor personnel must comply with the State’s security and acceptable use policies for State IT equipment and resources. See [http://michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---,00.html](http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html).

- C. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

#### **4. PROJECT MANAGEMENT/PROJECT PLAN**

##### **4.1 PROJECT MANAGEMENT**

- A. The Contractor must meet with the DNR Program Manager, upon request of the Program Manager, to initiate services, requests, review materials, review progress, discuss problems, obtain advice and counsel, etc. for each phase of every project.
- B. Any exception to Section 4.2 Project Plan requirements will be made by the DNR Program Manager based on the size of the budget and campaign.
- C. The Contractor must work collaboratively with DNR and other agency or partner staff to implement various aspects of marketing, promotional and communications plans.
- D. The Contractor must provide account management that is proactive and flexible to meet changing business conditions.
- E. The Contractor must take all reasonable precautions to guard against any loss to DNR through the failure of suppliers to execute commitments properly.
- F. The Contractor shall not begin any work on any project before the DNR Program Manager has given formal approval and a work/expense authorization/purchase order has been issued and signed.
- G. Upon failure to meet a predetermined deadline, the Contractor must provide an explanation for such failure as soon as it is known and submit an updated project schedule to the DNR Program Manager.

##### **4.2. PROJECT PLAN**

- A. The Contractor must develop a critical path development schedule providing sufficient DNR approval time frames from initial presentation of creative through the production and delivery of product.
- B. Prior to beginning work on a specific task or deliverable as agreed upon by the DNR Program Manager, the Contractor must provide the DNR Program Manager with a Project Plan that is inclusive of the following:
  - 1. Project creative brief
  - 2. Proposed research, as appropriate
  - 3. Proposed message strategies, including social media when appropriate
  - 4. Timelines (including staff assigned, hours of effort and hourly rate)
  - 5. Total anticipated costs
  - 6. Any associated assumptionsThe Project Plan for each campaign must encompass its entire life-cycle while providing sufficient DNR approval timeframes from initial presentation through the production and delivery of material. The Project Plan must be updated with a status report as indicated in Section 4.4.B.2.
- C. The DNR Program Manager must approve the Project Plan before work may begin. The DNR reserves the right to not award any project plan quoted, to the Contractor.
- D. The Contractor must carry out this Contract under the direction and control of the DNR Program Manager.
- E. As this Contract is not limited to the programs identified, the Contractor will need to be able to balance existing programs with new projects/campaigns, media plans, and marketing plan changes.

Contractor principals and leadership team will meet at least weekly to review current and projected workload and the management and application of Contractor resources to ensure that all DNR work can be efficiently and effectively managed. The Contractor's traffic manager will handle workflow and deliverables on a micro level, focusing on workflow over the short-term (e.g., days and weeks).

The Contractor will communicate regularly with the DNR, especially as it relates to managing workload and deliverables, and will participate in dialogue with the DNR about the impact of new programs or changes in its plans and priorities, and also to develop a plan of action to address the DNR's needs.

- F. The Contractor must have a documented process for addressing issues and changes as they develop throughout the Contract and state the individuals who are responsible for receiving/reacting to any issues/changes.

The Contractor's account manager will act as the lead contact for the DNR. It is the responsibility of the account manager to facilitate the resolution of any problems or changes that may arise during the course of the contract. The account manager's job is to convene the right group of people from the Contractor and/or the DNR, as appropriate, in order to focus on proper, quick and efficient handling of any issues. The Contractor will be organized so that there are senior staff (directors) responsible for every service and content area. If for some reason the account manager cannot address an issue, the first people to go to will be the directors. For example:

- For campaign creative and production issues, the Contractor's account manager will contact the creative director.
- For media issues, the Contractor's media director.
- For issues of account management or contract requirements, the Contractor's account services director supported as needed by at least one of the agency principals.
- For social media or public relations, the Contractor's outreach and engagement director.

The Contractor's strategy director will be involved in any significant issues.

For billing or financial issues, the Contractor's director of finance and at least one of the Contractor principals would be immediately informed and engaged. Both Contractor principals will always be available to staff and DNR for any reason at any time.

#### **4.3. MEETINGS**

The Contractor must attend the following meetings:

- A. In-person Kick-Off Meeting within 15 calendar days of the Effective Contract Date, at least once annually to review the Contract and deliverables, and once within the 30 days before Contract expiration. In the event of Contract expiration, additional meetings may be necessary for the Contractor to attend during the transition period.
- B. Although there will be continuous liaison with the Contractor team, the Contractor must confer monthly at a minimum, with the DNR Program Manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise. The Contractor should also plan for monthly in-person update/presentation meetings.
- C. The Contractor must confer with DNR upon request within 2 business days of contact to initiate services, requests, review materials, review progress, discuss problems, obtain advice and counsel, etc.
- D. The State may request other meetings, as it deems appropriate. The Contractor must meet in-person/on-site when deemed necessary by the DNR Program Manager. The Contractor must conduct meetings with subcontractors independently as directed by the DNR Program Manager.
- E. The Contractor must have available toll-free conference call capabilities.

#### **4.4. REPORTING**

- A. The Contractor must create and assemble reports and presentations of plans, highlight key findings, and make clear recommendations to DNR in correlation with all projects/campaigns in an agreed upon timeframe between DNR and the Contractor.
- B. The Contractor must submit, to the DNR Program Manager, the following written reports:
  - 1) A report on the efficiency and effectiveness of all marketing, promotion, and campaigns/projects against the goals and objectives established for the campaign/project.
  - 2) Periodic status report/presentations as requested by the DNR Program Manager. Status reports must be addressed within the project plan of each campaign/project.
  - 3) No later than three (2) weeks prior to a media buy, provide copies of the negotiated buy (including value-added opportunities submitted by stations free of charge).

- 4) No later than two (2) months following the end of each media buy, a prepared final summary showing the amounts ordered and actually paid per station, publication or outdoor company. These summaries must be compiled by target group, by medium, by market, and showing a grand total. No-charge bonus or bonuses, or PSA schedules, must also be summarized quarterly in the same way.
- 5) No later than two (2) months following the end of each media buy, post analysis reports which compare any such schedule estimates against actual spot rotation deliveries.
- 6) No later than two (2) months following the end of each media buy, evaluation reports with supporting data, describing how the media buy accomplished the intended goals of the buy.
- 7) Quarterly reports on social media activity and engagement.
- 8) Any other related reports as requested by the DNR Program Manager.

The Contractor will develop an online dashboard for real-time reporting of certain campaign metrics (especially digital tactics) as agreed upon by the DNR program manager and the Contractor.

## **5. ORDERING**

### **5.1. AUTHORIZING DOCUMENT**

The appropriate authorizing documents for the Contract will be a signed Blanket Purchase Order as well as an Agency Issued Purchase Order and Project Plan.

## **6. INVOICE AND PAYMENT**

### **6.1. INVOICE REQUIREMENTS**

- A. The Contractor must provide detailed invoices for services rendered which clearly outline the scope of billing. The Contractor must provide complete backup with Contractor invoices including signed estimates and all original copies of third-party invoices. The Contractor must also provide reconciliation of all projects approved for pre-billing within one day at their completion.
- B. All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) itemized description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. (h) name(s) of person(s) who worked on project; (i) number of hours worked by each person. Overtime, holiday pay, and travel expenses will not be paid.
- C. Invoices will be approved based upon completion of deliverables within a pre-approved Project Plan. Payments will be made upon approval of the DNR Program Manager. All invoices must reflect actual work done.
- D. The DNR shall reimburse the Contractor only for services and/or materials authorized by the DNR Program Manager and purchase order. Payment shall not exceed the amount approved by authorized estimate without submission and approval of a revised estimate.
- E. The Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.
- F. The Contractor will not be reimbursed for personnel labor or other costs incurred in connection with client account services, meetings, commissionable advertising, or costs associated with membership in or attendance at industry conferences, seminars, etc. The Contractor will not be reimbursed for any overtime costs incurred by the Contractor or by any Subcontractor or supplier, unless such costs have been specifically identified in an approved work estimate.
- G. Expenses for packaging, handling, shipping, postage and freight, travel, meals, lodging and per diem paid to or on behalf of outside talent, and services acquired through the Contractor's internal facilities or parent or subsidiary organizations shall be billed at cost. Additionally, the following items must also be billed at cost: talent renewals, licensing fees, television and radio dubs, and satellite and communications uplinks.
- H. The Contractor must pass on all reductions in cost, such as volume and early payment discounts, to the State, in the fiscal year in which the originating expenses occurred.

- I. The Contractor must make timely payments to all subcontractors without waiting for DNR payment of corresponding invoices. The Contractor must maintain a line of credit for this purpose.
- J. The Contractor must allow 45 days from the date of receipt of accurate and complete invoices and backup for receipt of payment.

**6.2. PAYMENT METHODS**

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT). Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>.

# STATE OF MICHIGAN

Contract No. 071B5500146  
Marketing and Advertising Services

## EXHIBIT C PRICING

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
2. For quick payment terms, the number of days must not include processing time for payment to be received by the Contractor's financial institution.

Quick Payment Terms: 2NET10 on Contractor fees only. All outside costs are excluded, including media costs.

3. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.
4. The State can only commit funds in the fiscal year they are available; commitment of funds for future fiscal years is contingent upon enactment of legislative appropriations.
5. The State will not accept fees or commissions from subcontractors and suppliers, these Contractors shall be at a non-commissioned rate, no mark up. The Contractor must pass on all reductions in costs from subcontractors and suppliers.

**A. Pricing for this Contract will be part fixed (Account Management), variable (Creative/Production, and Primary Market Research) and commission percentage (Media Placement) based Pricing as approved in the Project Plan per Exhibit A, Section 4 Project Management/Project Plan and Section 6 Invoice and Payment as follows:**

The Contractor is paid per approved project (see Exhibit A, Section 4 Project Management and Section 6 Invoice and Payment), not as a flat percentage of the total annual budget estimate.

1. Account Management Services

- A fixed annual price will be used to compensate the Contractor for all Account Management services. The price is expected to compensate the Contractor for all Account Management services related to the project as identified in:
  - Exhibit A Section 1. A Communications/Marketing
  - Exhibit A Section 1.B Market Research (excluding Primary Market Research)
  - Exhibit A Section 1.G Additional Services
  - Exhibit A Section 1.H Implementation
  - Exhibit A Section 4. Project Management/Project Plan (excluding Section 4.1.A)
  - All overhead and expenses of the Contractor must be included in the fixed annual price (prorated on monthly invoices).

2. Creative and Production Services

- A variable price based on a blended hourly rate will be used to compensate the Contractor for Creative services. The price is expected to compensate the Contractor for all Creative and Production services related to the project as identified in:
  - Exhibit A Section 1.D Creative
  - Exhibit A Section 1.E Production.
- Blended hourly rate is defined as the Not-To-Exceed hourly amount that will be paid to the Contractor for Creative and Production deliverables based on approved Project Plan.

- All subcontracted work must be passed through at “cost” and include no mark-up of any kind.
- All overhead expenses of the Contractor must be included in the variable price.

3. Media Placement Agency Fee

- A commission percentage will be used to compensate the Contractor for all Media Placement services as identified in:
  - Exhibit A Section 1.C Media
  - Exhibit A Section 1.F Traffic
- The Contractor must pass on all reductions in cost, such as volume, media buying discounts, early payment discounts, and/or unplaced media, on each project.

4. Primary Market Research

- A variable price based on a blended hourly rate will be used to compensate the Contractor primary market research services. The price is expected to compensate the Contractor for all Primary Market Research services as identified in Exhibit A Section 1.B Market Research (excluding Secondary Research).

5. Pricing Table

Deliverable	Estimated Annual Media Placement	Estimated Annual Hours Creative Services	Price		Years	Total
1. Account Management Services – Fixed Annual Price			\$65,000	X	1	\$65,000
2. Creative and Production Services – Variable Blended Hourly Rate		500	\$125	X	1	\$62,500
3. Media Placement Agency Fee – Commission Percentage	\$700,000		7%	X	1	\$49,000
<b>Grand Total Contractor Fees</b>						<b>\$176,500*</b>

\*Grand Total Contractor Fee estimate does not include Primary Market Research fees and additional costs above Estimated volumes.

Deliverable	Price
4. Primary Market Research – Variable Blended Hourly Rate	\$125



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number **1**  
to  
Contract Number **071B5500146**

<b>CONTRACTOR</b>	Gud Marketing
	1223 Turner St.
	Lansing, MI 48906
	Debbie Horak
	517-267-9800
	horak@gudmarketing.com
	*****6524

<b>STATE</b>	Program Manager	Lisa VanOstran	DNR
		517-284-5975	
	vanostranl@michigan.gov		
	Contract Administrator	Mary Ostrowski	DTMB
(517) 284-7021			
OstrowskiM@michigan.gov			

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Marketing and Advertising services - DNR, MHC				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 15, 2015	September 14, 2016	2 - 1 Year	September 14, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input type="checkbox"/>		September 14, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 240,000.00		\$ 0.00	\$ 240,000.00	
<b>DESCRIPTION:</b> Effective September 15, 2016, the first option year on this Contract is hereby exercised. The revised Contract expiration date is September 14, 2017. The Program Manager is updated to Lisa VanOstran.				
All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB Procurement approval.				

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**NOTICE OF CONTRACT NO. 071B5500146**

between

**THE STATE OF MICHIGAN**

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Pace & Partners, dba Gud Marketing  1223 Turner St. Suite 101  Lansing, MI 48906	Debbie Horak	horak@gudmarketing.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(517) 267-9800	6524

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER (non-day-to-day)	DNR	Jana Harding-Bishop	(517) 284-5938	hardingj3@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mary Ostrowski	(517) 284-7021	ostrowskim@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b>			
Marketing and Advertising Services – DNR, MHC			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Year	September 15, 2015	September 14, 2016	2 – One Year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
2NET10; Net 30	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			<b>\$240,000.00</b>

**For the Contractor:**

\_\_\_\_\_  
,  
**Contract Administrator**  
**Gud Marketing**

\_\_\_\_\_  
**Date**

**For the State:**

\_\_\_\_\_  
**Sharon Maynard, Sourcing Director,**  
  
**State of Michigan**

\_\_\_\_\_  
**Date**



# STATE OF MICHIGAN

Contract No. 071B5500146  
Marketing and Advertising Services for the DNR – MHC

## EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

### Project Request

This is a Contract for Marketing and Advertising Services for the Department of Natural Resource (DNR) Michigan Historical Center (MHC).

### Scope

The Contractor will provide professional marketing, media, branding and communications services to develop and implement marketing plans that will address priority goals for the MHC.

Activities include, but not limited to marketing coordination, planning, writing, graphic design, photography, video filming and production, radio script writing and producing, social and digital media planning, creating and buying. Writing, graphic design and production would be for all media types: web, email, social media, video, print, radio, digital advertising.

The work will involve meeting with DNR staff to review current promotional, programming and customer service activities, making recommendations to strengthen the brand and increase visitation and membership. It will also include developing and implementing marketing plans to reach priority goals, using a variety of media appropriate for the audience and within budget. It would also involve communications coordination and media support for special projects.

The Contractor will work in conjunction with Department of Natural Resources – Marketing and Outreach section (DNR-MOD). Some of the Contractor's recommendations may be accomplished by or in conjunction with DNR-MOD.

### Primary Goal:

- Increase visitation to the Michigan Historical Museum (MHM) in Lansing

### Secondary Goals:

- Increase visitation to outstate MHC locations
- Increase annual memberships at MHM
- Increase participation in programs
- Implement brand strategy for the MHC
- Build Awareness of offerings available at the Archives of Michigan.

The annual budget for this Contract will be between \$50,000 and \$80,000

### Background/Project Description

The MHC is comprised of the State Archives of Michigan and the Michigan Historical Museum network of 12 museums and historic sites across the state. The primary site is located in Lansing, just three blocks west of the Capitol, and houses the Archives and the Michigan Historical Museum.

The MHC offers programs to increase school attendance, improve history education, and increase family and tourist visits. Currently, the Michigan Historical Museum has 50,000 school groups/students per year and 87,000 general visitors. The museum offers annual memberships, which provide discounts to our gift shops, free entrance, and other benefits.



The Archives of Michigan is the place where genealogists and others can research Michigan's record heritage. More than 80 million state and local government records and private papers, 300,000 photographs and 500,000 maps, plus films and audio tapes are available for research. Currently, the Archives see 2,508 visitors per year.

Other museum and historic sites include:

1. Michigan Historical Museum
2. Fort Wilkins and Copper Harbor Lighthouse
3. Michigan Iron Industry Museum
4. Fayette Historic Townsite
5. Father Marquette National Memorial
6. Hartwick Pines Logging Museum
7. Civilian Conservation Corps Museum
8. Great Lakes Maritime Museum
9. Tawas Point Lighthouse
10. Sanilac Petroglyphs
11. Mann House
12. Walker Tavern

[www.michigan.gov/mhc](http://www.michigan.gov/mhc)

[www.facebook.com/MichiganHistoricalMuseum](https://www.facebook.com/MichiganHistoricalMuseum)

[www.twitter.com/seekingmichigan](https://www.twitter.com/seekingmichigan)

## 1. Specifications

### 1.1 Contractor Requirements

Outline:

- A. Review of Current Marketing Activities
- B. Marketing
- C. Media
- D. Analysis
- E. Creative
- F. Production
- G. Delivery

The Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below, and as determined by the DNR Program Manager based on the Contractor's recommendations:

#### A. Review of current marketing activities

1. Review current promotional, programming and customer service activities. Based upon the Contractor's review, the Contractor must make recommendations to strengthen the brand and increase visitation and membership.

#### Contractor's Overall Process

The Contractor's first step will be a formal launch of the project with key team members from DNR-MHC's project team and the Contractor's account manager. This meeting will provide an exchange of information and allow clarification of both process and content issues.



After the project launch, the Contractor's Account Manager will enlist the Contractor's marketing team members from all marketing service areas to review the current promotional, programming and customer service activities of the MHC. The Contractor's review team will consist of:

- The Account Manager leading the entire Contractor Marketing team assigned to this project
- Representatives from specialty areas:
  - Social media
  - Digital/web marketing and development
  - Copywriting
  - Art direction/design
  - Strategy and planning

#### Site Visit

The Account Manager will be the main contact for DNR-MHC. The Account Manager and members of the strategic and/or creative teams will conduct site visits, when possible and necessary. At a minimum, the team will want to spend time at the Michigan Historical Museum in order to deeply understand the programming and customer experience.

#### Review All Assets

The Contractor's review team will conduct a deep review of the MHC website, the web pages for each of the museums and all digital assets, as well as a review of all printed materials, broadcast or video materials, and any other assets deemed important. These are details that can be worked out completely at the launch meeting. The Account Manager, in conjunction with the Director of Strategy, will develop an assessment tool for the Contractor team to use when reviewing materials. This tool will reflect the goals and objectives of the project, criteria by which to assess the materials and other questions as appropriate.

The materials will be contained in a "war room" environment in the Contractor's office until the review is complete. The Account Manager and the Director of Strategy will synthesize all of the review forms from their fellow teammates and develop an initial SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the existing marketing, promotional, programming and customer service activities.

#### Additional Assessment of Customer Service and Programming

If there is existing research related to customer service and programming activities, the Contractor will request access to this information. The Contractor's Research Manager will review the existing research and develop a summary of conclusions, most likely in a SWOT analysis or similar format, for input into the overall summary report for this phase of the project.

#### Secondary Research

Secondary research will be performed to explore best practices in museum marketing and promotion. The Contractor's Research Manager will look for examples of good benchmarks and industry leadership in historical museums or other related marketing, promotion, programming and customer experience only as it might relate to the MHC.



### Stakeholder Interviews and/or Primary Research

The Contractor will perform key stakeholder interviews to inform an assessment of current practices as well as illuminate possibilities for the future. The Contractor will perform approximately 10 to 15 one-on-one in-depth interviews with key staff from the MHC and the various museums (as appropriate), as well as various types of customer representatives (for example, school decision-makers, MHC members, lapsed members, etc.) where possible.

The Contractor will perform customer focus groups or surveys to gain deeper insight into customers and target audience groups. The Contractor will conduct a survey with MHC members (if there are no recent surveys to review as part of secondary research), including members who have lapsed to understand programming and customer experience.

### Bringing It All Together

A core team consisting of the Account Manager, Director of Strategy and the Creative Director will conduct the final review of all of the preceding analyses and begin to refine the greatest areas of opportunity to be captured as the marketing plan is developed.

### Deliverable

The deliverable for this part of the process, the review of all current marketing activities, secondary research and stakeholder interviews, is one summary report that comprehends a SWOT analysis and focuses especially on conclusions and implications for developing a marketing plan moving forward.

## **B. Marketing**

1. Develop an annual marketing plan (Project Plan per Section 3.1.D and E) of goals, strategy, time frames, and estimated budgets for the MHC's marketing activities.

The Contractor's Director of Strategy, supported by the Media Director, Creative Director and Account Manager and other select team members as needed, is responsible for drafting the annual marketing plan.

### Marketing Plan:

Step 1. The first step is to clearly articulate business goals as well as marketing goals and objectives.

Along with the goals and objectives statement, the Contractor will dedicate a section to measurement and evaluation.

Step 2. The right people and the right message. The Contractor will focus on the target audience and messaging matrix next. In this step, the Contractor will identify target audience groups, classify them as primary, secondary or tertiary, and catalog everything they know about them and how they relate to the MHC, what they know about the MCH, how they make decisions about visiting or engaging with the museum and points of leverage to influence their perspectives and behaviors. The audiences will be described using an audience and message matrix that summarizes the audiences, and will include audience, description, current status, desired status, points of influence, and messages.

Step 3. In the right way. The Contractor will develop and make recommendations for marketing and media strategies and tactics to reach the audiences. This step will build out the strategies and tactics that make up the core of the marketing plan. Strategies will include "what" marketing tools are recommended and tactics will be "how" the Contractor recommends deploying those tools. The Contractor will consider earned media, social media and other outreach and nonpaid strategies. All recommended strategies and tactics will be detailed in this section of the plan. Accompanying timing and budget recommendations will be attached to each recommended strategy and tactic.



This effort will be led by the Director of Strategy with input from all team members, including staff from the MHC who may want to be involved at this stage. Brainstorming and work sessions will be conducted during the plan development to generate and vet ideas and drive toward a rigorous, workable plan.

- Step 4. At the right time. The plan recommendations will be distilled into a calendar and recommended budget, which is appended to the plan. This document will guide the efforts of all parties who are involved in implementing the plan. The media schedule will be included as part of the calendar. The calendar will be displayed in a visible location or anyone involved in implementing the plan. Ongoing tracking and measurement will likely create modifications and refinements to the plan. Updates will be published and distributed accordingly.

Once the Contractor has completed the initial draft plan, the Contractor will submit it to the DNR Program Manager for discussion, review and approval. The Contractor will make adjustments and modifications based on the review by Program Manager and, once completed, will submit the final plan.

#### Deliverable

The deliverable at this stage is a final version of a one-year marketing plan document that includes the following elements:

- *Business goals and marketing goals and objectives*
  - *Evaluation plan and success metrics*
  - *Audience definition and messaging*
  - *Strategies and tactics*
  - *Recommended media plan*
  - *Calendar*
  - *Recommended budget*
2. Work collaboratively with DNR-MHC communications staff to implement various aspects of marketing, promotional and communications activities.

The Contractor will:

- *Provide good communication.* The Contractor's Account Manager will publish a regular status update to all of those involved weekly or biweekly. This status report will ensure that everyone is well informed of the progress on all projects and deliverables, whether information is needed from a particular group or individual, and what to expect in terms of next steps, deadlines, etc.
- *Provide the most value to DNR-MHC.* Contributions will take many forms, from concept development to copywriting, to production and execution of various deliverables. The Contractor will contribute primarily to concept development and copywriting, and help provide creative direction to overall layout and design, if requested. The Contractor will edit, lay-out and design when the DNR Program Manager provides the initial copy, if requested. The Contractor will provide the concept, script and treatment initially and then art direction or video direction, and/or editing to complete the project if DNR-MHC has in-house photography or video capabilities, if requested. The Contractor will working side-by-side with the DNR-MHC in as great or small a capacity as needed.
- *Provide clarity about roles, expectations and deliverables.* The Contractor will work with the DNR-MHC to implement marketing strategies and tactics. The Contractor will hold a formal launch meeting where the anticipated roles and responsibilities are discussed and clarified, so that everyone on the team knows his or her part. Through such discussions, DNR-MHC staff will become familiar with the Contractor's full capabilities and will be able to identify the areas that will provide the most additional value.



- Plan the work; work the plan. The Contractor will parse out the work accordingly, once the marketing plan is approved. The Contractor and DNR-MHC will determine where the Contractor can be of the greatest use and value to the DNR-MHC in carrying out the activities detailed in the plan.
- Provide a single point of contact. The Contractor's single point of contact will be the Account Manager, who will then engage the appropriate team members for the work. The Contractor's team members will be able to work directly with their counterparts at DNR-MHC as needed, however, the Account Manager will be informed of what's happening and will make sure that the right people are efficiently deployed to the right projects.
- Traffic. The Contractor's Traffic Manager will be supporting the Contractor's Account Manager, who is the staff who manages workflow, resources and deadlines within the Contractor agency. The traffic manager will provide backup to the Account Manager and will ensure that the Contractor is meeting all the deliverables and timelines while working collaboratively with the DNR-MHC.

3. Advise the DNR Program Manager on marketing, promotion, and advertising-related decisions.

The Contractor will be both a resource and a support to the Program Manager. The Contractor will work collaboratively with the DNR-MHC to navigate the marketing landscape in order to make good decisions. The Account Manager will assemble the right team from the Contractor to advise on the question at hand. In most cases it will likely include the Director of Strategy and/or the Media Director. Some questions can be fielded by the Account Manager independently, or may be best answered with the help of a creative input. The Contractor will meet with the DNR Program Manager in person, via phone conference, or through any mechanism that is most convenient.

The Contractor will consider the following to guide roles:

- Fidelity to the objectives. The Contractor will focus their guidance on how well a potential marketing, promotion or advertising opportunity aligns with the ultimate objectives of the DNR-MHC.
- Audience definition. The Contractor will apply their developed, deep understanding of the target audiences and their motivations to any counsel that is needed.
- Objectivity. The Contractor will bring objectivity to any marketing question and will not be entrenched in the "product." The Contractor will apply a very objective marketing (and value) lens to any question that may arise that would benefit from the Contractor's counsel.

The Contractor will provide the following reports to assist in good communications:

- Conference reports. The Account Manager will issue conference or call reports that detail decisions made and next steps for any given issue or action. These reports are issued to all appropriate parties and are intended to keep everyone well informed.
- Status reports. The status reports will contribute to keeping multiple people apprised of decisions and progress. Status report formats will be customized to be of greatest use to the State, and issued on a schedule that makes the most sense for the State's needs.
- Availability. The Account Manager will be available to answer DNR-MHC questions when needed, as needed, and, if out of the office or unable to be reached, will make sure that a backup is clearly identified.

4. Utilize research and industry information to identify and evaluate market and media strategies and opportunities.

The Contractor will explore secondary information (research and industry information) in their marketing planning and media planning processes.



At the formal launch meeting, the Contractor will gain the MHC's perspective on benchmark museums throughout the country and other industry leaders. The Contractor will also identify other potential benchmark organizations or similar industries to potentially learn from. The Contractor's Research Manager will lead this exploration (as described earlier in Section 1.1.A.1.) and work with the Director of Strategy and Creative Director to assess the applicability of new ideas.

5. Measure effectiveness of the marketing campaign and provide on-going recommendations based on data.

The Contractor will track the effectiveness of the campaign according to agreed upon metrics. The Contractor will explore the following sets of metrics:

- A. Marketing measurements. The Contractor will use these metrics to assess the overall success of the marketing efforts and will directly correspond with the marketing goals and objectives identified in the plan. These measurements will be a combination of those that are tracked in real time, as well as those that lag. Inquiries, phone calls, website hits and other web analytics will be tracked in real time, with adjustments made accordingly. Number of visitors will be assessed at critical milestones in order to look at the full combination of marketing activities overall and their effect on visitation.
- B. Media metrics. The Contractor will track these metrics continually whenever media is in market to give real-time information about the performance of each type of media, which will allow the Contractor to refine and change immediately in order to maximize the effectiveness of the media. Real-time measurement of media will include tracking of many digital indicators such as click-thru rates, post-impression website visits, bounce rates, etc. The Contractor will monitor these types of indicators in an ongoing way and any necessary adjustments will be reviewed for the State's approval. A more detailed and complete listing of the types of metrics the Contractor will use is provided under Section 1.1.D. Analysis.

The Contractor will submit monthly or quarterly reports (depending on the type of metrics being reported) that track marketing metrics.

### c. Media

1. Develop Media Plans within the Project Plan for all DNR-MHC requested projects and promotions that are within scope of this Contract.

The Contractor's Media Director will access the industry's top media research, planning and evaluation tools. The Contractor will utilize every tool available to the Contractor in the development and execution of each media plan.

The marketing plan will serve as a guide to develop media plans tailored to deliver results for each unique audience, project and promotion defined within the scope of this Contract.

The Contractor will start media plans with research, leveraging strong media partnerships, and employing the media industry's most valuable planning and evaluation tools.

The Contractor will develop the media plan synchronous with developing the overall marketing plan. The Contractor will collect information, analyze that information, examine alternatives and make final recommendations.

#### Media Plan Input: Media Research

The Contractor will seek in-depth information, which will enable the Contractor to define key audiences and align the right message, with the right people, at the right time. This step will enable the Contractor to maximize the overall effectiveness and efficiency of the State's media investment.



The Contractor's Media Department will utilize extensive media research resources. Data-driven media decisions coupled with The Contractor will apply drive media decisions by data, mine the data and apply it to each unique marketplace to deliver a results-driven campaign to the State. The Contractor will start by cross-referencing data from a combination of research tools to provide comprehensive insight and campaign analysis. Each tool will provide specific recommendations based on each highly targeted audience by demographic, psychographics, lifestyle and consumer behavior characteristics. The Contractor's media research tools include:

*Arbitron* –Radio audience measurement service. In addition to the paper diary data, the Contractor will use PPM (Portable People Meter) data where available for the most precise radio audience measurement.

*Claritas PRIZM* – The block group (neighborhood) based market segmentation data will provide a snapshot of each consumer segment's demographic traits, lifestyle preference and consumer behavior. The Contractor will use this information to help guide marketing campaigns and media strategies via their available demographic characteristics (education, income, housing, race/ethnicity, etc.) and lifestyle categories (travel, eating out, shopping, auto purchases, etc.).

*Experian Simmons* – The Contractor will use to better understand customers, prospects and determine best advertising placement. Consumer behavior studies will provide detailed information on media habits, shopping patterns and consumer opinions on various issues.

*Mediamark Research* – Will provide extensive audience data for consumer magazine and comprehensive and reliable multimedia audience data. The database will provide an overall view of audiences of all major media, their demographics and lifestyles, actions and attitudes, product usage and brand loyalty.

*Nielsen Media Research* – Will measure media audiences including TV, online, cinema and newspaper. The data will measure viewing habits in all 210 local DMA's (Designated Market Areas), including Hispanic and African-American households. The Contractor will use the NSI information to monitor ongoing television and online buys, project future audience deliveries and dissect best programming and placement selections across a variety of client target audiences.

*Rentrak* – A marketing research and buying tool that will offer planners and buyers the ability to locate and ultimately reach a more targeted consumer. This television audience measurement tool will record viewing behavior from more than 20 million televisions across the country. Together with lifestyles and behavior data from Simmons, Epsilon and Experian, the Rentrak system will give the Contractor the ability to target qualified buyers and adds to the Contractor's negotiating arsenal. The Contractor will be able to determine, through one media buying source, a program's value based on audience level, age and gender demographics, lifestyle and income while still having the ability to input information from other sources.

*Scarborough* – Will provide lifestyles, shopping patterns, media behaviors and demographics of American consumers locally, regionally and nationally.

*Media Plan Input: Analysis (Media Planning and Evaluation Tools)*

The Contractor will use state-of-the-art tools to contribute to the analysis. The Contractor will assess all proposals as they are received, using evaluation and planning tools that are used pre- and post-buy. SQAD will provide broadcast, cable and radio media cost data derived from Nielsen, Arbitron and records of actual placed media. SQAD skews high in Michigan, therefore the Contractor will assess plans accordingly.

The Contractor will value the difference between *media* metrics and *marketing* metrics. The Contractor will provide a complete analysis of multiple data sets from many different perspectives to deliver meaningful media campaigns that drive real marketing results for each DNR-MHC project and promotion. The Contractor will use the following media planning and evaluation tools:



- *Strata*. STRATA is a media buying software application that will aid in initial planning through payment and post-buy analysis. It will be used to efficiently manage all media types including broadcast, cable, newspaper, radio, outdoor and digital advertising. This program will collect, organize and report on all past and current campaign experiences. STRATA will manage all campaign elements, including avails, ratings, schedules and vendor orders. It will allow the Contractor to view trends and audience composition, compare demos and create multiple analyses. Invoices, including all added-value elements, will be electronically downloaded into Strata to quickly and easily verify schedules and spot traffic rotations both vertically and horizontally.
- *SQAD*. Cost forecaster. The Contractor will consistently deliver achieved cost-per-points 20–30 percent below low SQAD, the lowest SQAD cost level.
- *SRDS*. Database of media rates and information for all media properties which will ensure adequate geographic coverage and varied demographic audience delivery. SRDS will provide comprehensive coverage of traditional media, such as magazines, newspapers, television, direct marketing and radio, including today's alternative marketing opportunities such as online and out-of-home. The Contractor will use it to compare ad rates and obtain pertinent vendor information with direct links to media kits and vendor audit statements.

#### Deliverable

The output will be a recommended media plan providing an outline of the Contractor's media recommendations including rationale for each media choice; target audiences; target markets/geography; goals for reach and frequency, impressions, and other relevant, measurable goals; timing; and budget for review and approval. The media plan will be delivered in conjunction with the marketing plan.

- a. Once these Media Plans are reviewed and approved by the DNR Program Manager, the Contractor will proceed with developing individual media buys based on the Media Plans. The Contractor is required to submit these Media Buys to the DNR Program Manager for review and approval.

The Contractor will engage in deep development and negotiation for individual media buys and placement. Media vendors will be provided with target audience goals, reach and frequency/impression goals, and the ultimate goals for each project or promotion. The Contractor's Media Director will work closely with each individual media partner as they provide recommendations for media placements, promotions, inventory and budget. The Contractor will utilize their relationships with media vendors and their knowledge of the unique media assets available in each market.

- After a review of requests for proposal/inventory responses from qualified, reputable vendors, the Contractor will negotiate to obtain the best value and positions for the DNR-MHC with each individual vendor, and will build a media buy that meets the criteria agreed upon in the media plan. The Contractor will conduct multiple rounds of back-and-forth optimization and negotiation.
- Value added, including discounts and bonus placements, will be maximized in each round of negotiation. The first type of value added that the Contractor will negotiate is additional inventory, similar in kind and quality to the core contract. The Contractor will maximize inventory as much as possible while remaining cognizant of a point of diminishing return. This effort will include additional spots/ad placements, improved dayparts, campaign date extensions, etc.



- Once the Contractor has attained a level of reach and frequency best suited to meet the project goals, the Contractor will negotiate rates. The Contractor will negotiate up to 55 percent off submitted rates and 50–85 percent off additional inventory.

#### Deliverable

Once the Contractor reaches agreement with each media partner, a detailed schedule will be provided to the DNR Program Manager listing purchased stations, publications and websites with spot schedules/impressions, discount/bonus value and timing, for final review and approval.

b. Media Plans must include:

- Detailed rationale
- Time frames
- Flight dates
- Paid media budget
- Geography/media markets
- Advertising units
- Media weight (gross rating point/GRP) levels and expenditures for each medium in each market

The Contractor will provide media plans for each project and promotion incorporating the research and planning tools detailed in Section 1.1.C.1.

The Contractor will provide transparency and the sharing of detailed information in a way that makes the strategic media plan for each project and promotion instantly accessible to all interested parties.

#### Deliverable

The Contractor will provide the Media Plans.

2. Inform the DNR-MHC of and evaluate as requested any special or unique media placements or opportunities.

The Contractor will partake in ongoing in-person meetings with media partners to stay connected and aware of special and unique media placements and opportunities in each market.

The Contractor will position themselves to receive offers for special and unique media placements, and will work closely with media partners to create custom media opportunities based on the unique needs and goals of each project and promotion. The Contractor will provide an integrated approach to media. The Contractor's media, creative, public relations, digital, research, and account teams will strategize together. Implementation ideas developed in these meetings will be pitched to media partners by the Contractor's Media Director and will result in custom media inventory specifically developed to meet the unique needs of this Contract.

Special and unique media opportunities will be evaluated with the same level of scrutiny and care as the initial flight schedule. The Contractor will fully align and add value to each media opportunity. The Contractor will stay true to campaign objectives over gut-feeling media investments.

3. Buy and negotiate media in consultation with the DNR Program Manager for each medium.

Once the media plan is approved, the Contractor will engage in deep negotiation for individual placements. Media vendors will be provided with target audience goals, reach and frequency/impression goals, and the ultimate goals of the campaign and will be asked to provide recommendations for media placements, promotions, inventory and budget.



After a review of requests for proposal/inventory responses from qualified, reputable vendors, the Contractor will review their recommendations with the DNR Program Manager and then negotiate to obtain the best value (including discounts and bonus placements) and position with each vendor, and build a schedule that meets the criteria agreed upon in the media plan. The Contractor will conduct multiple rounds of back-and-forth negotiation.

Once the Contractor has reached agreement with the media vendor, the buy is considered completed. Signed orders will be dispatched to all vendors and a detailed schedule will be provided to the DNR Program Manager, listing purchased stations, publications and websites with spot schedules/impressions, discount/bonus value and timing. With the signed orders, the buy will be considered “placed.”

After the buy is placed and while it is airing, the Contractor will stay in close contact with vendors to ensure that schedules run as ordered. The Contractor will review screenshots for web placements and tear sheets for print placements, and will listen to air checks for radio spots to validate that creative is running correctly.

Negotiation will not end when the buy is placed. Media performance will be monitored throughout the buy, and the Contractor will optimize as needed. Detailed media performance documents will be provided to the DNR Program Manager at regular intervals. If the Contractor uncovers any inconsistencies in quality, the Contractor will negotiate restitution value above the original order.

The Contractor’s Media Director will review every vendor invoice against the buy to ensure that full agreed upon value has been received before authorizing for payment. Once third-party rating books (Arbitron, Nielsen) have been released that coordinate with the advertising periods, the Contractor will post actual ratings against station-supplied estimates/projections. Any station that falls short on point delivery must provide a make-good schedule to ensure that full agreed-upon value is received.

Communication and consultation with the DNR Program Manager will be consistent throughout the Contractor’s comprehensive approach to media negotiation and execution.

*Note: Negotiation of Value-Adds, Such As Matching Spots*

The Contractor will first negotiate is additional inventory, similar in kind and quality to the core contract. The Contractor will maximize inventory as much as possible while remaining cognizant of a point of diminishing return. This effort will include additional spots/ad placements, improved dayparts, campaign date extensions, etc.

Once the Contractor has attained a level of reach and frequency best suited to meet the campaign goals, the Contractor will negotiate rates. The Contractor will negotiate up to 55 percent off submitted rates and 50–85 percent off additional inventory.

The Contractor’s final round of negotiation for value added will seek opportunity for bonus spots in all assets available from the vendor. The Contractor will extend the value of the overall media plan by obtaining value-added placement in each asset available.

Once the Contractor has reached the absolute maximum value of each contract, the Contractor will issue a signed order clearly documenting all value added. This contract will guarantee commitment from each vendor to execute the value added as originally agreed upon and holds each vendor accountable for make-goods of each item listed in the signed order that is not executed as promised.

The Contractor will optimize every element of the contract throughout the duration of each agreement. The Contractor will stay in close contact with media partners to take advantage of opportunities in the marketplace.



The Contractor will take every step to maximize campaign impact and exposure and extend client budgets through ideas and partnerships.

#### Planning

The Contractor will consider how they will incorporate value adds and bonus placements at the beginning of the planning process. The Contractor will conduct rigorous research in order to identify the most advantageous opportunities across the paid, earned and social media landscape for each campaign. Value adds and bonus placements will stay focused on core campaign objectives to obtain the best results for the State. The Contractor will look to increase reach and frequency with vendor inventory of similar kind and quality included in the base media plan.

#### Involve Media Partners

The Contractor will work closely with their media partners, paid, earned and social, to identify and create bonus opportunities that bring significant value to the State, while making sure that every opportunity is in alignment with the State's mission and values.

#### Paid Media

The Contractor will share research and campaign objectives with each media partner. Then, the Contractor will listen to allow each media partner the opportunity to provide its most creative and comprehensive ideas. Once a partner is invested in the idea/plan, the partner will be more likely to give additional inventory, reduced costs, etc., to see that plan come to fruition. This approach will help the Contractor stay connected and informed about the types of opportunities available in each market.

#### Digital Media

The Contractor is able to employ a variety of tactics to best meet the unique needs of each campaign. Tactics include but are not limited to:

- Message, content strategy and development (organic social media, preroll video, display ads, blogs, cinemagraphs)
- Paid social media marketing
- Geo-fencing
- Behaviorally and geo-targeted SEM (search engine marketing)
- SEO (search engine optimization) audit and consultation services
- Around-game and in-game advertising
- Email and text message marketing

#### Social Media

The Contractor will identify opportunities to provide timely and expertly formatted social content for media partners to easily post, tweet and share. The Contractor will research the most relevant groups and personalize pitches to like news sources, businesses, organizations, public and legislative figures to encourage them to share the DNR-MHC content on their social media channels and all other communications channels.

#### Putting It Together

Once plans have been approved, the Contractor will move into the implementation stage. The Contractor's PR, media and social teams will work together with Contractor partners to negotiate the best opportunities and value for value adds, such as:

- Editorial placement in magazines
- Distribution of campaign message through vendor channels
- Co-branded contests
- On-air interviews
- Bonus spots
- On-air promotions



- Sponsorships
  - Social media mentions
  - Announcer reads
4. No later than two months following the end of each media buy, the Contractor must prepare a final summary showing the amounts ordered and actually paid per station, publication or outdoor company. These summaries should be compiled by target group, by medium, by market, and showing a grand total. No-charge bonus or bonuses, or Public Service Announcement (PSA) schedules must also be summarized quarterly in the same way.

The Contractor will provide additional reports or documentation as requested by the DNR Program Manager or if the Contractor has additional information that will be useful to the DNR-MHC.

#### **D. Analysis**

1. Conduct post-buy review on the placement of media and the effectiveness of media buys in terms of cost, reach, frequency, continuity, and message dispersion requirements, etc. The Contractor should use findings to refine current and future media plans. No later than two months following the end of each media buy, the Contractor must submit this post analysis report to the DNR Program Manager.

The Contractor will provide post-buy review and reconciliation reports that include detailed and transparent information from credible third-party sources. The Contractor will provide customized, detailed reports for DNR-MHC. Media summary reports for DNR-MHC will be organized as requested and outlined in Section C.4.

The Contractor will provide an average delivery of +25% on pre-campaign GRPs. The Contractor will provide transparency with all campaign elements including invoice reconciliation, audience delivery assessments and media metrics. Reporting will include all predefined key performance indicators (KPIs) for each specific project and promotion. In addition to measuring media outputs to the Contractor will work closely with DNR-MHC to measure and report on all marketing outcomes relevant to the primary goal and secondary goals of this contract. The Contractor will develop a deep understanding of media tactics that trigger marketing outcomes to refine current and future media plans, maximizing media investments, and ultimately delivering meaningful campaign results to DNR-MHC. The Contractor will provide complete analysis of multiple data sets from many different perspectives that will deliver meaningful media campaigns that drive real marketing results. The Contractor will provide measurements of media outputs, included but not limited to the following:

##### **TRADITIONAL MEDIA ANALYTICS**

###### **Broadcast and Spot Television**

- Reach and frequency by market
- Purchased spots
- Bonus spots and sponsorships

###### **Radio**

- Purchased spots
- Bonus spots (including web units)

###### **Outdoor**

- Daily effective circulation by market
- Weekly impressions
- Bonus space/production value



#### Print

- Circulation/digital extensions
- Bonus spots (including earned media)

#### DIGITAL MEDIA ANALYTICS

- Total impressions
- Bonus impressions
- Type of impressions (mobile, display)
- Post-impression website visits
- Site visitors
- Site visits
- Avg. session time
- Avg. # pages visited
- Overall bounce rate
- Mobile interactions (clicks, impressions)
- Top-performing sites
- Highest performing times/day of week

#### Demographics

- Audience (gender, age)
- Devices used to enter site
- Geographic location of site visitor
- Acquisition
- Organic vs paid search terms
- Referral sites
- Social referrals
- Bounce rates

#### Benchmarks

- Progress relative to goals
- New/updated benchmarks
- Primary drivers reaching benchmarks

#### Facebook

- Total likes
- New likes
- Page engagement
- Reach (weekly/monthly/daily totals)
- Post interactions (likes, comments, shares)
- Top-performing posts
- Geographic/demographic breakdown
- Boosted post performance
- Ad performance

#### Twitter

- Total/new followers
- Retweets
- Mentions
- Favorites
- Average growth in following
- Ad performance

#### Sponsorships/Unique Media/Value Adds

- Event attendance
- Awareness increase (gauged by survey)



- Inquiries (web contact form, phone)
- Lead to customer/purchaser ratio
- Cost per lead
- Earned media hits/mentions
- Others as identified

## **E. Creative**

1. Responsible for the conceptual development of promotional items as identified by the DNR Program Manager.

The Contractor will develop a creative brief that provides the foundation for what the creative must achieve and the realities of the audience(s)' needs and desires. The brief will provide for the intersection between what DNR-MHC wants to portray and how the audience wants to receive.

Once the brief is approved by the DNR Program Manager, the Contractor will begin to work on creative concepts. The Contractor's creative team, armed with strategic direction provided by the brief, will work together to develop ideas. Initial ideas will be vetted with the Contractor's strategic and account teams and either scrapped or pursued accordingly. This is an iterative process, one that can go through dozens of ideas at a time, and ultimately ends with the best ideas, which will then be presented as concepts to the DNR-MHC for selection and refinement before moving forward with final creative executions.

The Contractor will perform the following steps and conditions to ensure great creative work:

- Listen closely to DNR-MCH to make sure Contractor has a clear understanding of who they are as well as their objectives.
- Dive deeply into all available audience and competitor research.
- Explore strategic and creative leadership from different industries and categories
- Take risks. The Contractor will push ideas toward something that's slightly outside the realm of comfort for the DNR-MHC (but still on brand) which is an important element of standing out, and an increasingly necessary component to being noticed at all.
- Work from a creative brief that is laden with customer understanding and insights into attitudes, behavior and decision-making and a clear, focused singular call to action.
- Generate ideas using an inclusive process, including all disciplines at different points during the creative process, allowing for a collaborative atmosphere that creates space for the strongest ideas to germinate.
- Establish strategic criteria by which all creative is reviewed and assessed, but only as a starting point. The Contractor's creative director and planning director will determine which executions will be provided for consideration by DNR-MHC. Refine the work based on DNR-MHC and/or testing feedback, but use strategic criteria to frame the feedback and surrounding discussion.

## **F. Production**

1. Responsible for the timeliness and quality of production of all marketing, advertising and promotion as identified by the DNR Program Manager.

The Contractor will perform flawless execution and will continually refine their process to ensure timeliness and quality expectations are met.

The Contractor's Traffic Manager will manage all workflow and DNR-MHC deadlines. The Traffic Manager will work closely with all account teams and the Creative Director and Production Manager to make sure staff resources are assigned correctly and have ample time to deliver an on-time quality product.



The Contractor's Production Manager will manage quality and Contractor deliverables. The Production Manager will be involved in the creative process from the early stages to ensure that any recommended concepts can be produced in a timely and quality manner.

The Contractor will use a formal routing process for all Contractor deliverables. Work will be routed to the Production Manager, the Account Manager, the strategic team and Contractor principals when necessary to ensure that the work meets Contractor standards. The Contractor will also require several rounds of proofing at various steps in the process.

In the unlikely event of an error or mistake made by the Contractor, the Contractor assumes full responsibility and will take whatever steps are necessary to make it right.

## **G. Delivery**

1. Ship all approved advertising materials, with appropriate traffic instructions, to media vendors in time to meet program deadlines.

The Contractor's Traffic Director will be dedicated to overseeing the distribution of all creative assets to media vendors including radio and television dubs, print and digital assets and more. The traffic director, in collaboration with the media director, will be diligent about detailed traffic instructions and will adhere to the Contractor's follow-up systems to ensure that ads and spots run as scheduled.

The Contractor guarantees placement by utilizing the following key tools:

1. Insertion orders will be created and sent to each media vendor outlining the agreed-upon cost, deadlines and deliverables.
2. The Traffic Manager will work with the Contractor's management software (Workamajig) and the creative and production teams to ensure accurate execution and delivery.
3. Workamajig is a fully integrated web-based Contractor agency management system (formerly called Creative Manager Pro). Workamajig will integrate all Contractor functions into a seamless system: DNR-MHC service and project management, accounting, creative management, production management, traffic and media.
4. The Contractor will utilize a very specific disclaimer to ensure file integrity: "Any alterations to this file by anyone who is not a staff member of the Contractor will result in nonpayment."

The Contractor will require confirmation emails from all media vendors upon acceptance of materials including the disclaimer.

## **1.2 State Review, Acceptance and Testing Process and Criteria**

The following criteria will be used by the DNR to determine Acceptance of the Contract Activities:

Before approving invoices for payment, the DNR Program Manager will review deliverables, review project hours and team members' involvement in the project, and review invoices for pass through expenses to verify costs are accurate and do not reflect markups. The DNR Program Manager will also ensure Contractor's invoices include detailed information for the project.

## **2.0 Staffing**

### **2.1 Program Manager**

- A. The Contractor must appoint an individual to the position of Account Manager who will be directly responsible for the day-to-day operations and be the central point of contact for the Contract. The Account Manager must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 24 hours.



**Contractor’s Account Manager:**  
 Roni Rucker Waters  
 517.267.9800  
[waters@gudmarketing.com](mailto:waters@gudmarketing.com)

**B. Contractor’s Key Personnel**

Key Personnel	Name	Phone Number	Email Address
Firm Principal Senior Level Strategic Counsel	Debbie Horak	517-267-9800	horak@gudmarketing.com
Account Manager	Roni Rucker Waters	517-267-9800	waters@gudmarketing.com
Director of Strategy	Jill Holden	517-267-9800	holden@gudmarketing.com
Creative Director	Joel Newport	517-267-9800	newport@gudmarketing.com
Senior Art Director	Julie Krueger	517-267-9800	krueger@gudmarketing.com
Media Director Coordinator	Emmie Musser	517-267-9800	musser@gudmarketing.com
Research Manager	Chelsea Maupin	517-267-9800	maupin@gudmarketing.com

- C. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s Program Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.
- D. Contractor must not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“**Unauthorized Removal**”). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel’s employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms.
- E. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an “Unauthorized Removal Credit”):
  1. The State is entitled to collect \$1,000 per individual per day, not to exceed \$25,000, for the removal of any Key Personnel without prior approval of the State.
  2. The State is entitled to collect \$1,000 per individual per day, not to exceed \$25,000, for an unapproved or untrained key personnel replacement.

**2.2 Disclosure of Subcontractors**

- A. If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:



1. The legal business name of the Sub-Contractor and a complete description of the Contract Activities that will be performed or provided by each subcontractor.

**Subcontractors**

Sub-Contractor Name	Complete Description of the Services to be provided under this Contract	Of the total bid, the % of the Subcontractor's work
Ahptic Productions LLC	If necessary, the Contractor may utilize the services of Ahptic Productions to: <ul style="list-style-type: none"> <li>• Assist with development of broadcast television commercials, promotional web videos, etc.</li> <li>• Provide video production, editing, motion graphics and animation</li> </ul>	The Contractor will supply once recommendations have been developed.
Luke Anthony Photography, LLC	If necessary, the Contractor may utilize the services of Luke Anthony Photography for: <ul style="list-style-type: none"> <li>• Photography and videography</li> </ul>	Unknown at this time.

**3.0 Project Management**

**3.1 Project Plan**

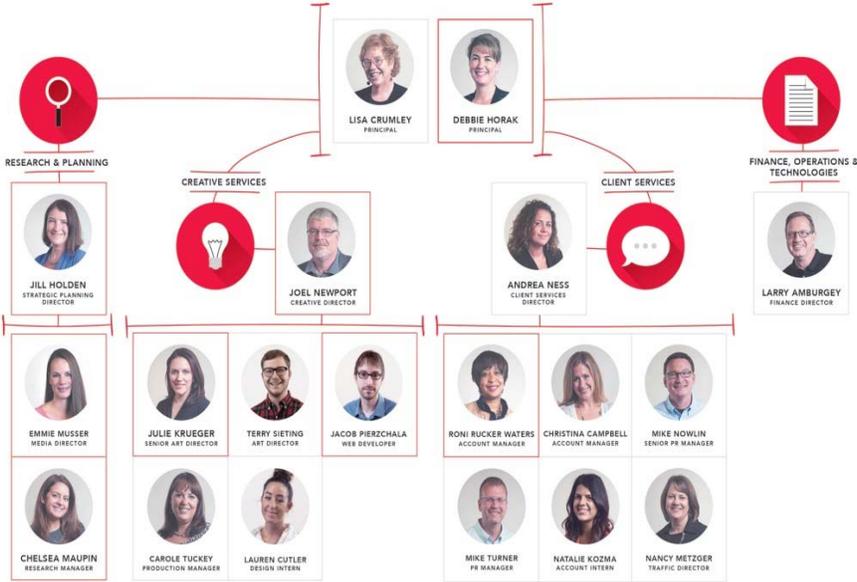
- A. The Contractor must provide account management that is proactive and possesses the flexibility to change strategies as business conditions/situations warrant.
- B. The Contractor shall not begin any work on any project before the DNR Program Manager has given signed written approval.
- C. The Contractor must notify the DNR Program Manager about inabilities to meet predetermined deadlines and provide an explanation as soon as it is known and submit an updated project schedule and provide a revised Project Plan to the DNR Program Manager for review and approval.
- D. Prior to beginning work on a specific task or deliverable as agreed upon by the DNR Program Manager, the Contractor must provide the DNR Program Manager with a Project Plan and narrative for review (includes media and marketing plans per Sections 1.B.1 and 1.C.1). The Project Plan must include a breakdown of the work to be performed, identifying tasks, subtasks, proposed time line, staff assigned (including hours of effort and hourly rate), total anticipated costs and any associated assumptions. The DNR Program Manager must approve the Project Plan before work may begin.

After the formal kick-off meeting, the Contractor will develop the project plan, and estimates to provide it for review and approval by the DNR Program Manager within five working days.

- E. The Contractor must carry out this Contract under the direction and control of the DNR Program Manager. Within 10 calendar days of the Kick-Off Meeting, the Contractor must submit a final Project Plan to the DNR Program Manager for final approval. This Project Plan will be updated throughout the Contract period for new projects, media plan and marketing plan changes. The plan must include:
  - a. The Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals.
  - b. Breakdown of requirements in Section 1.1 showing sub-tasks, and the resources/staff assigned.
  - c. Process for addressing issues/changes as they develop throughout the Contract term and individuals responsible for receiving/reacting to any issues/changes.



Draft Project Plan



Tasks	Contractor Resources & Hours	Timing
<b>Phase 1: Project Launch &amp; Project Management</b>		Weeks 1-2
<ul style="list-style-type: none"> <li>Project Launch/Kick-off Meeting</li> </ul>	Account Manager – 2 hrs Firm Principal or Strategic Planning Director – 2 hrs DNR Program Manager	Week 1
<ul style="list-style-type: none"> <li>Contractor Develops Project Plan</li> </ul>	Account Manager – 4 hrs	Week 1
<ul style="list-style-type: none"> <li>Reviews Project Plan with DNR Program Manager</li> </ul>	Account Manager – 1 hr DNR Program Manager	Week 2
<ul style="list-style-type: none"> <li>Revisions (if necessary) and final project plan provided for approval</li> </ul>	Account Manager – 1 hr	Week 2
<ul style="list-style-type: none"> <li>Weekly/Monthly Project Management</li> </ul>	Account Manager 8 hrs/month	Weekly
<b>Deliverable: Final Project Plan</b>		Week 2
<b>Phase 2: Review of Current Marketing Activities</b>		Weeks 3-5
<ul style="list-style-type: none"> <li>Site visit to Historical Center to review current programming</li> </ul>	Account Manager – 1.5 Strategic Planning Director – 1.5 Creative Director – 1.5	Week 3
<ul style="list-style-type: none"> <li>Review current assets and develop SWOT analysis</li> </ul>	Account Manager – 4 hrs Strategic Planning Director – 4 hrs Art Director – 2 hrs Web Designer/Developer – 2 hrs	Week 3



<ul style="list-style-type: none"> <li>Review existing survey data of customer experiences</li> </ul>	Research Manager – 8 hrs	Week 4
<ul style="list-style-type: none"> <li>Secondary research</li> </ul>	Research Manager – 6 hrs	Week 4
<ul style="list-style-type: none"> <li>Stakeholder interviews (10-12)                             <ul style="list-style-type: none"> <li>Develop Guide</li> <li>Review with DNR Program Manager</li> </ul> </li> </ul>	Account Manager – 15 hrs Research Manager – 25 hrs DNR Program Manager	Week 3-5
<b>Deliverable: Summary of research findings</b>	Account Manager – 8 hrs	Week 5
<b>Phase 3: Marketing Plan</b>		Weeks 6-8
<ul style="list-style-type: none"> <li>Review, study and synthesize all information from phase 2</li> </ul>	Strategic Planning Director – 25 hrs Account Manager – 25 hrs Creative Director – 8 hrs	Weeks 6-8
<ul style="list-style-type: none"> <li>Develop goals/objectives</li> </ul>		
<ul style="list-style-type: none"> <li>Develop measurement and evaluation section</li> </ul>		
<ul style="list-style-type: none"> <li>Develop target audience and messaging matrix</li> </ul>		
<ul style="list-style-type: none"> <li>Develop strategies and tactic recommendations</li> </ul>		
<ul style="list-style-type: none"> <li>Develop calendar and budget</li> </ul>		
<b>Phase 4: Media Plan</b>		Week 7-9
<ul style="list-style-type: none"> <li>Media specific research based on goals/objectives and audiences</li> </ul>	Media Director – 25 hrs	Weeks 7-8
<ul style="list-style-type: none"> <li>Utilize media planning tools</li> </ul>		
<ul style="list-style-type: none"> <li>Develop media recommendations</li> </ul>		
<ul style="list-style-type: none"> <li>Submit draft marketing plan and media recommendations to DNR Program Manager for review</li> </ul>	Account Manager – 4 hrs DNR Program Manager	Week 9
<ul style="list-style-type: none"> <li>Refine and submit final</li> </ul>	Account Manager – 2 hrs	Week 9
<b>Deliverable: Final Marketing Plan with media recommendations for the MHC</b>	DNR Program Manager	Week 9
<b>Phase 5: Media Negotiation and Placement</b>		Week 10
<ul style="list-style-type: none"> <li>In collaboration with the DNR Program Manager, the Contractor will negotiate media placements from the approved plan</li> </ul>	Media Director – 16 hrs	Week 11-12
<ul style="list-style-type: none"> <li>Negotiate media value adds</li> </ul>	Media Director – 8 hrs	Week 11-12
<b>Deliverable: detailed media schedule</b>		Week 12-13
<b>Phase 6: Creative Development</b>		Weeks 10-15
<ul style="list-style-type: none"> <li>Develop creative brief</li> </ul>	Account Manager – 2 hrs	Week 10
<ul style="list-style-type: none"> <li>Launch creative team</li> </ul>	Account Manager – 1hr Creative Director – 1 hrs Art Director – 1 hr Web Designer – 1 hr Copywriter – 1 hr	Week 10
<ul style="list-style-type: none"> <li>Develop creative concepts</li> </ul>	Strategic Planning Director – 4hrs Creative Director – 8 hrs Art Director – 20 hrs Web Designer – 8 hrs Copywriter – 20 hrs	Week 11-13
<ul style="list-style-type: none"> <li>Present creative concepts to DNR Program Manager</li> </ul>	Account Manager – 2 hrs Creative Director – 2 hrs DNR Program Manager	Week 13-14



<ul style="list-style-type: none"> <li>Choose concept direction, refine and finalize concept</li> </ul>	Account Manager – 4 hrs Creative Director – 4 hrs Art Director – 8 hrs Copywriter – 8 hrs	Week 13-14
<b>Deliverable: Final creative concepts</b>		Week 15
<b>Phase 7: Production and Delivery</b>		Weeks 16-20
<ul style="list-style-type: none"> <li>TBD based on the approved marketing tactics and media schedule</li> </ul>	Account Manager Creative Director Art Director Web Designer Copywriter	Weeks 16-20
<ul style="list-style-type: none"> <li>Each tactic will be developed and reviewed with the DNR Program Manager for approval prior to production and delivery</li> </ul>	Account Manager Creative Director Art Director Web Designer Copywriter DNR Program Manager	
<b>Phase 8: Measure and Analyze</b>		
<ul style="list-style-type: none"> <li>Conduct post buy review</li> </ul>	Account Manager Media Director – 20 hrs DNR Program Manager	Ongoing during media placement
<ul style="list-style-type: none"> <li>Examine all relevant analytics</li> </ul>		Weekly
<ul style="list-style-type: none"> <li>Develop and submit media report to DNR Program Manager</li> </ul>		Monthly
<b>Deliverable: Final media summary report</b>		

The Contractor will handle any issues or changes required to the Project Plan. The Contractor will focus on solutions and provide options to DNR/MHC. The Account Manager will alert the DNR Program Manager as soon as the Contractor is aware of any issues and discuss options that are available. Once the DNR Program Manager has determined which course of action is best, the Account Manager will adjust timing and tasks accordingly and update the Project Plan. The revised Project Plan will be submitted to the DNR Program Manager for review and approval.

### 3.2 Meetings

The Contractor must attend the following meetings:

- A. The Contractor must meet with the DNR Program Manager within 15 days of Contract award for direction and to discuss the specifics of each project to be undertaken.
- B. In-person Kick-Off Meeting within 15 calendar days of the Effective Date of the contract.
- C. The Contractor must meet with the DNR Program Manager to plan projects, timelines and review processes.
- D. Although there will be continuous liaison with the Contractor team, the Contractor must confer with the DNR Program Manager upon request within 2 business days of contact and at a minimum monthly, to initiate services, requests, review materials, review progress, discuss problems, obtain advice and counsel, etc.

### 3.3 Reporting

- A. The Contractor must provide conference reports within three working days of all meetings and/or conference calls as requested by the DNR Program Manager.
- B. The Contractor must provide periodic status report/presentations as requested.



#### **4.0 Ordering**

##### **4.1 Authorizing Document**

The appropriate authorizing documents for the Contract will be a signed Blanket Purchase Order as well as an Agency Issued Purchase Order and Project Plan.

#### **5.0 Invoice and Payment**

##### **5.1 Invoice Requirements**

- A. The Contractor must provide detailed invoices for services rendered that clearly outline the scope of billing with supporting documentation justifying costs to be reimbursed. The Contractor must provide complete backup with Contractor invoices including signed estimates and all original copies of third-party invoices and estimates.
- B. All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price.
- C. Invoices will be approved based upon completion of deliverables within a pre-approved Project Plan. Payments will be made upon approval of the DNR Program Manager. All invoices must reflect actual work done.
- D. The DNR shall reimburse the Contractor only for services and/or materials authorized by the DNR approved by the DNR Program Manager and purchase order. Payment shall not exceed the amount approved by authorized estimate without submission and approval of a revised estimate.
- E. Bidder's out-of-pocket expenses for travel are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Bidder for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.
- F. The Contractor will not be reimbursed for personnel labor or other costs incurred in connection with client account services, meetings, commissionable advertising, or costs associated with membership in or attendance at industry conferences, seminars, etc. The Contractor will not be reimbursed for any overtime costs incurred by the Contractor or by any Subcontractor or supplier, unless such costs have been specifically identified in an approved work estimate.
- G. Expenses for packaging, handling, shipping, postage and freight, travel, meals, lodging and per diem paid to or on behalf of outside talent, and services acquired through the Contractor's internal facilities or parent or subsidiary organizations shall be billed at cost. Additionally, the following items must also be billed at cost: talent renewals, licensing fees, television and radio dubs, and satellite and communications uplinks.
- H. The Contractor shall pass on all reductions in cost, such as volume and early payment discounts, to DNR in the fiscal year in which the originating expenses occurred.
- I. The Contractor must make timely payments to all subcontractors without waiting for DNR payment of corresponding invoices. The Contractor must maintain a line of credit for this purpose.
- J. The Contractor shall allow 45 days from the date of receipt of accurate and complete invoices and backup for receipt of payment. In addition, the Contractor may provide details for invoice discounts for early payment of monthly billings.



**EXHIBIT B  
RESERVED**



## EXHIBIT C PRICING

1. Quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

Contractor Quick Payment Terms:

2/10, Net 30

2. The State can only commit funds in the fiscal year they are available; commitment of funds for future fiscal years is contingent upon enactment of legislative appropriations.
3. The Contract is part fixed (Account Management), variable (Creative) and commission percentage (Media Placement) based Pricing as approved in the Project Plan per Exhibit A, Section 3 Project Management and Section 5 Invoice and Payment).
4. The annual budget is \$50,000 to \$80,000.00. The Contractor is paid per approved (see Exhibit A, Section 3 Project Management and Section 5 Invoice and Payment), not as a flat percentage of the total annual budget estimate.
5. Account Management (Project Plan Management and Market Research)
  - A. A fixed annual price will be used to compensate the Contractor for Account Management services. The price will compensate the Contractor for all Account Management services related to the project, including current marketing activity review, marketing plan development, marketing plan coordination between MHC and DNR staff who might be in charge of various plan aspects (biweekly or at least weekly communication via phone or email), project management with attendance at monthly MHC marketing team meetings, media planning, account services public relations support, communications coordination and support for special projects.
  - B. All overhead and expenses of the Contractor must be included in the fixed annual price (prorated on monthly invoices).
6. Creative (Production, Public Relations, Writing and Graphic Design for All Media Types including Web, Email, Social Media, Video, Print, Radio and Digital Advertising)
  - A. A variable price based on a blended hourly rate will be used to compensate the Contractor for Creative services. The price will compensate the Contractor for all Creative services related to the project, including creative development, production and public relations.
  - B. The blended hourly rate must include all Deliverables specified in Exhibit A, Section 1 Specifications.
  - C. Blended hourly rate is defined as the Not-To-Exceed hourly amount that will be paid to the Contractor for Creative deliverables based on approved Project Plan.
  - D. All subcontracted work must be passed through at "cost" and include no mark-up of any kind.
  - E. All overhead expenses of the Contractor must be included in the variable price.
7. Media Placement Agency Fee
  - A. A commission percentage will be used to compensate the Contractor for Media Placement services. The fee will compensate the Contractor for all media placement services related to the project, including placement and distribution for all media types.
  - B. The State will not accept fees or commissions from subcontractors and suppliers, these Contractors shall be at a non-commissioned rate, no mark up.
  - C. The Contractor must pass on all reductions in cost, such as volume, media buying discounts, early payment discounts, and/or unplaced media, on each project.



8. Pricing Table

Deliverable	Price
1. Account Management (Project Plan Management and Market Research) – Fixed Annual Price	\$22,500.00
2. Creative (Development, Production, Public Relations, Writing and Graphic Design for All Media Types including Web, Email, Social Media, Video, Print, Radio and Digital Advertising) – Variable Blended Hourly Rate	\$125.00
3. Media Placement Agency Fee – Commission Percentage	12%



**STANDARD CONTRACT TERMS**

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Pace & Partners dba Gud Marketing (“**Contractor**”), a Michigan corporation. This Contract is effective on September 15, 2015 (“**Effective Date**”), and unless terminated, expires on September 14, 2016.

This Contract may be renewed for up to two additional one year period(s). Renewal must be by written agreement of the parties and will automatically extend the Term of this Contract.

The parties agree as follows:

- 1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Exhibit A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Exhibit A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

- 2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Mary Ostrowski 525 W Allegan St., 1 <sup>st</sup> Flr NE Lansing MI 48909 ostrowskim@michigan.gov 517-284-7021	Debbie Horak or Lisa Crumley 1223 Turner St. Suite 101 Lansing, MI 48906] <a href="mailto:horak@gudmarketing.com">horak@gudmarketing.com</a> , <a href="mailto:crumley@gudmarketing.com">crumley@gudmarketing.com</a> 517-267-9800



**3. Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms and conditions of this Contract (each a “**Contract Administrator**”):

State:	Contractor:
Mary Ostrowski 525 W Allegan St., 1 <sup>st</sup> Flr NE Lansing MI 48909 ostrowskim@michgian.gov 517-284-7021 DTMB	Debbie Horak or Lisa Crumley 1223 Turner St. Suite 101 Lansing, MI 48906] <a href="mailto:horak@gudmarketign.com">horak@gudmarketign.com</a> , <a href="mailto:crumley@gudmarketing.com">crumley@gudmarketing.com</a> 517-267-9800

**4. Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “**Program Manager**”):

State: Day-to Day	Contractor:
Christine Schwerin 525 W. Allegan St Lansing, MI 48933 <a href="mailto:SchwerinC@michigan.gov">SchwerinC@michigan.gov</a> (517) 284-6071 DNR	Roni Rucker Waters, Account Manager 1223 Turner St. Suite 101 Lansing, MI 48906] <a href="mailto:waters@gudmarketing.com">waters@gudmarketing.com</a> 517-267-9800
State: Non - Day-to Day	
Jana Harding-Bishop 525 W. Allegan St Lansing, MI 48933 <a href="mailto:HardingJ3@michigan.gov">HardingJ3@michigan.gov</a> (517) 284-5938 DNR	

**5. Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.

**6. Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.



<b>Automobile Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
<b>Workers' Compensation Insurance</b>	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	

If any of the required policies provide **claim-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

**7. Reserved**

**8. Reserved**

**9. Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.



- 10. Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
- 11. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 13. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
- 14. Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.
- In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.
- 15. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.
- 16. Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Exhibit A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 0, Termination for Cause.



Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract. If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

**17. Delivery** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Exhibit A. All containers and packaging becomes the State's exclusive property upon acceptance.

**18. Risk of Loss and Title** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.

**19. Warranty Period** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Exhibit A. If the Contract Activities do not function as warranted during the warranty period the State may return such non-conforming Contract Activities to the Contractor for a full refund.

**20. Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.



The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

- 21. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Exhibit A.
- 22. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
- 23. Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

- 24. Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 0, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
- 25. Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such



Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

**26. General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

**27. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.



**28. Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.

**29. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

**30. State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.

**31. Reserved**

**32. Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

1. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

2. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a



subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

3. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
4. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
5. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

**33. Reserved**

**34. Reserved**

**35. Reserved**

**36. Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as



a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

**37. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 0, Termination for Cause.

**38. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

**39. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.

**40. Reserved**

**41. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

**42. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

**43. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in



Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

**44. Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

**45. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

**46. Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

**47. Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.

**48. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.

**49. Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.

**50. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

**51. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.



**52. Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

**53. Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").